FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3611

DATE FILMED 1/8/93 CAMERA NO. 4

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FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

MUR 3611

**COMPLAINT**

Complainant - Victor O. Frazer
Respondent - Congressman Ron deLugo, D - V.I.
Subject - Filing False Report

**FACTS:**

That Respondent, Ron deLugo, D - V.I., an experienced eighteen year member of the U.S. House of Representatives, familiar and completely knowledgeable of the Federal Election Campaign Laws, filed or caused to be filed on August 24, 1992 a Report of Receipts and Disbursements with the Office of the Clerk of the U.S. House of Representatives covering the period of July 1, 1992 through August 19, 1992 and knowingly and falsely designating said report as a "Twelfth Day Report" preceding a primary election on September 8, 1992 in the State of the Virgin Islands. That Respondent, Ron deLugo, D - V.I. knew that the filing deadline for candidates for the office of Virgin Islands Delegate to Congress was July 28, 1992 and that the identity and political party affiliation of all qualified candidates was public knowledge and attainable from the office of the supervision of elections. That Ron deLugo, D - V.I., knew the identity of the only qualified candidate for the office and that the candidate's political affiliation was "No Party," and that the candidate had filed to run as an "Independent."

That Ron deLugo, D - V.I., an eighteen year member of the U.S. House of Representatives completely familiar with the Federal Election Campaign Laws had no reason to believe after July 28, 1992, the deadline for filing candidates for the office of Virgin Islands Delegate to Congress, that there was going to be a "Democratic Primary Election" on September 8, 1992, in the Virgin Islands.

That on September 8, 1992, the Primary Election Day, the Chairman of the Virgin Islands Board of Elections informed complainant that Ron deLugo, D - V.I., "had no reason whatsoever" to believe that he was involved in a primary because no democratic challenger had filed.

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That on September 10, 1992, the Supervisor of Elections told the complainant that no primary election for the office of Delegate to Congress had been considered nor contemplated because; (1) No Republican, No Independent Citizen Movement (I.C.M.) candidates had filed; (2) There was no challenge to the Democratic incumbent, and (3) the election laws of the Virgin Islands have no provision for primary election for "Independent" candidates.

That Ron deLugo, D - V.I., an eighteen year member of the U.S. House of Representatives, with full knowledge of the facts stated above, solicited contributions and made disbursements allegedly in connection with a primary election for the office of Delegate to Congress on September 8, 1992, and that he willfully, intentionally and in possession of all the pertinent facts to the contrary, misled contributors into believing that he was involved in a primary election, and knowingly misrepresented his activities in connection thereto to the Clerk of the U.S. House of Representative, and that his actions is tantamount to fraud.

Further, that in the Report of Receipts and Disbursements covering the period of July 1, 1992 through August 19, 1992, on page 1 of Schedule A (Itemized Receipts) contributor (g), Ralph de Chabert is listed as having made a $1500.00 contribution on August 13, 1992, aggregate year to date $1500.00 a violation of Section 441a(a)1A of the Federal Election Campaign Laws. The same contributor, Ralph de Chabert and Mario de Chabert made a "joint" contribution on June 11, 1991 as stated in the report covering the period January 1, 1991 through June 30, 1991, in the amount of $1000.00. If this "joint" contribution represents a 50% contribution by both, then the aggregate for Ralph de Chabert for a single election will be $2000.00, twice as much as is legally allowable.

In the report filed on August 24, 1992 covering the period July 1, 1992 through August 19, 1992, on page 1 of Schedule A (Itemized Receipts), contributor (c), Leon Hess is listed as having made a $1000.00 contribution, the maximum allowable for a single election. However, a review of the report filed July 15, 1991

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covering the period January 1, 1991 through June 30, 1991 will show on page 3 of Schedule A (Itemized Receipts) that contributor (a) is the same Leon Hess who made a contribution in the amount of $500.00 for an aggregate of $1500.00 for a single election; a violation of Section 441a(a)1(A) of the Federal Election Campaign Laws.

I, **Victor O. Frazer**, do solemnly swear that I have read the foregoing information and acknowledged that the same is true and accurate to the best of my knowledge.

Victor O. Frazer

Victor O. Frazer

Sworn and Subscribed before me
this 15th day of September, 1992.

Vincent

NOTARY

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FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
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FEDERAL ELECTION COMMISSION

# RECORD

March 1990 | 999 E Street NW | Washington DC 20463 | Volume 16, Number 3

## REPORTS

**REPORTS DUE IN APRIL**

Reporting requirements for reports due in April are described below. All registered committees expected to file reports in April are automatically mailed forms. For additional forms or other information on reporting requirements, call the FEC at 800/424-9530 or 202/376-3120.

**Quarterly Reports**

All political committees filing on a quarterly schedule during 1990 must file a quarterly report by April 15. The report should cover all activity from January 1 (or from the closing date of the last report filed, or from the date of the committee's first activity, whichever is later) through March 31.

**Monthly Reports**

Those committees filing on a monthly schedule during 1990 must file reports by April 20. The report should cover all activity from March 1 (or the closing date of the last report filed, whichever is later) through March 31.

**Pre-Primary Reports**

Pre-primary reports, covering activity from the close of books of the last report filed through 20 days before the primary election, are due 12 days prior to the election. Only committees making contributions and expenditures in connection with primaries are required to file pre-primary reports.

If sent by registered or certified mail, the report must be postmarked no later than the 15th day before the election. See the January 1990 Record for a state-by-state list of pre-primary filing dates.

**Independent Spenders**

Any independent expenditures aggregating $1,000 or more and made between 20 days and 24 hours before an election day begins must be reported within 24 hours after the expenditures are made.

**Last-Minute Contributions**

A candidate's principal campaign committee or any other authorized committee must file special notices on contributions of $1,000 or more received after the 20th day and more than 48 hours before an election in which the candidate is running. 11 CFR 104.5(f) Within 48 hours after receiving the contribution, the committee must deliver the following

(continued)

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 24, 1992

Victor O. Frazer
P.O. Box 5928
Veterans Drive Station
St. Thomas, Virgin Islands 00803

RE: MUR 3611

Dear Mr. Frazer:

This letter acknowledges receipt on September 16, 1992, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by the Honorable Ron De Lugo, Ron De Lugo Congressional Committee, and David Hamilton, as treasurer, Ralph de Chabert, Leon Hess, and Mario de Chabert. 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 3611. 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.

Sincerely,

Lisa E. Klein
Assistant General Counsel

Enclosure
Procedure

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 24, 1992

David Hamilton, Treasurer
Ron De Lugo Congressional Committee
P.O. Box 279
St. Croix, VI 00820

RE: MUR 3611

Dear Mr. Hamilton:

The Federal Election Commission received a complaint which indicates that the Ron De Lugo Congressional Committee ("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 3611. 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.

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.

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If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lisa E. Klein
Assistant General Counsel

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

cc: The Honorable Ron De Lugo

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 24, 1992

The Honorable Ron De Lugo
U.S. House of Representatives
Washington, DC 20515

RE: MUR 3611

Dear Mr. De Lugo:

The Federal Election Commission received a complaint which indicates 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 3611. 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.

93040925524

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lisa E. Klein
Assistant General Counsel

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

cc: Ron De Lugo Congressional Committee

93040925525

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 24, 1992

Mr. Mario de Chabert
P.O. Box 5994, Sunny Isle
Christiansted
St. Croix, VI 00823

RE: MUR 3611

Dear Mr. de Chabert:

The Federal Election Commission received a complaint which indicates 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 3611. 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.

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If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lisa E. Klein
Assistant General Counsel

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 24, 1992

Mr. Ralph de Chabert
P.O. Box 5994, Sunny Isle
Christiansted
St. Croix, VI 00823

RE: MUR 3611

Dear Mr. de Chabert:

The Federal Election Commission received a complaint which indicates 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 3611. 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.

93040925528

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lisa E. Klein
Assistant General Counsel

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 24, 1992

Mr. Leon Hess
1185 Avenue of the Americas
New York, NY 10036

RE: MUR 3611

Dear Mr. Hess:

The Federal Election Commission received a complaint which indicates 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 3611. 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.

93040925530

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lisa E. Klein
Assistant General Counsel

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

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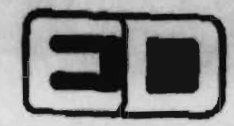

# ESPERANZA DEVELOPMENT COMPANY

POST OFFICE BOX 5004 - CHRISTIANSTED, ST. CROIX - U.S. VIRGIN ISLANDS 00820
TELEPHONE (809) 778-5830

President
Ralph A. de Chabert, M.D.
Vice-President
Austin A. de Chabert
Treasurer
Mario N. de Chabert
Secretary
Rita Schuster
Assistant Secretary
Shirley Highfield

September 29, 1992

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
92 SEP 30 PM 5:09

Ms. Lisa R. Klein
Assistant General Counsel
Federal Election Commission
Washington, D.C. 20463

RE: MUR 3611

Dear Ms. Klein:

I am in receipt of your letter of September 24, 1992, together with the attached complaint filed by Victor O. Frazer.

The contributions made to Congressman Ron de Lugo on August 13, 1992 and June 11, 1992 were contributions made from Esperanza Development Company, a partnership consisting of five (5) individuals. Therefore, said contributions would be divided by five (5) partners consisting of only a $500.00 contribution each from the five (5) partners.

My brother Mario de Chabert and myself, as managing partners co-sign checks on behalf of the partnership. Attached you will find checks evidencing contributions to Mr. Delugo.

Hoping that our response has been satisfactory. I remain

Respectfully,

ESPERANZA DEVELOPMENT COMPANY

Ralph A. de Chabert, M.D.
President

RAdeC:dw

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**ESPERANZA DEVELOPMENT COMPANY**
GENERAL ACCOUNT
P.O. BOX 6-HH
CHRISTIANSTED, ST. CROIX
U.S. VIRGIN ISLANDS 00820

PAY THE SUM 1500 [illegible] DOLLA

| CHECK NO. | TO THE ORDER OF | DATE | GROSS AMOUNT | DISCOUNT | CHECK AMO |
|---|---|---|---|---|---|
| 5133 | Ron de Lugo Congressional Committee | 7-28-92 | | | 1500 |

ESPERANZA DEVELOPMENT COMPANY

SIGNATURE

SIGNATURE

THE CHASE MANHATTAN BANK, NATIONAL ASSOCIATION
ST. CROIX, VIRGIN ISLANDS

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Tel.

For N Spencer
013-41104-8

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4961

**ESPERANZA DEVELOPMENT COMPANY**
GENERAL ACCOUNT
P.O. BOX [illegible]5994
CHRISTIANSTED, ST. CROIX
U.S. VIRGIN ISLANDS 00820

PAY THE SUM 1000 DOLS 00 CTS DOLLAR

| CHECK NO. | TO THE ORDER OF | DATE | GROSS AMOUNT | DISCOUNT | CHECK AMOUNT |
|---|---|---|---|---|---|
| 4961 | Ron de Lugo Congressional Commit | 6-4-91 | | | 1000 |

ESPERANZA DEVELOPMENT COMPANY

SIGNATURE

SIGNATURE

THE CHASE MANHATTAN BANK, NATIONAL ASSOCIATION
ST. CROIX, VIRGIN ISLANDS

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CORESTATES BANK, N.A.
BY AUTHORIZED SIGNATURE

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# GENERAL PARTNERSHIP AGREEMENT

# ESPERANZA DEVELOPMENT COMPANY

The parties agree to form a Partnership on the terms and conditions set forth in this agreement:

## ARTICLE I

## General Provisions

1.1 PARTIES. The parties to this agreement are Ralph A. de Chabert, Austin A. de Chabert, Rita M. Schuster, Mario N. de Chabert, and Shirley J.M. Righfield, all of the City of Christiansted, St. Croix, Virgin Islands of the United States.

1.2 EFFECTIVE DATE. The effective date of this agreement shall be July 1, 1967.

1.3 NAME. The name of the Partnership shall be ESPERANZA DEVELOPMENT COMPANY.

1.4 USE OF NAME BY PARTNERS. It is intended that the same name may be used after the death, retirement, or withdrawal of any of the Partners.

1.5 PURPOSE. The purpose of the Partnership is to engage in the development, sale, management, and ownership of real estate and such other activities that may be appropriate to such business.

1.6 PLACE OF BUSINESS. The Partnership business shall be conducted [illegible]

be conducted at No. 1b Aa Ba Church Street, Christiansted, St. Croix, U. S. Virgin Islands, or such other place as the Partners may determine.

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1.7 TERM. The Partnership shall continue for a period of twenty-five (25) years commencing on July 1, 1967, unless otherwise dissolved pursuant to the provisions for dissolution in this agreement. After the expiration of twenty-five (25) years, the Partnership shall continue until dissolved pursuant to Paragraph 6.1.

## ARTICLE II

## Capital, Income, Drawings

2.1 INITIAL CAPITAL CONTRIBUTIONS. The initial capital contributions of each Partner shall be as follows:

(a) Ralph A. de Chabert: All of my interest in the property as described in Appendix A attached hereto. In addition to the aforementioned property, a contribution of Sixty Thousand Dollars ($60,000.00) in cash.

(b) Austin A. de Chabert: All of my interest in the property as described in Appendix A attached hereto. In addition to the aforementioned property, a contribution of Sixty Thousand Dollars ($60,000.00) in cash.

(c) Rita M. Schuster: All of my interest in the property as described in Appendix A attached hereto. In addition to the aforementioned property, a contribution of Sixty Thousand Dollars ($60,000.00) in cash.

(d) Mario N. de Chabert: All of my interest in the property as described in Appendix A attached hereto. In addition to the aforementioned property, a contribution of Sixty Thousand Dollars ($60,000.00) in cash.

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[illegible] my interest in the property as described in Appendix A attached hereto. In addition to the aforementioned property, a contribution of Sixty Thousand Dollars ($60,000.00) in cash.

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2.2 CAPITAL ACCOUNTS. An individual Capital Account shall be maintained for each Partner. It shall be credited with his contributions and debited and credited in accordance with generally accepted accounting principles.

2.3 INCOME ACCOUNTS. An individual Income Account shall be maintained for each Partner. It shall be credited with his distributive share of profits or debited with his distributive share of losses as soon as practical after the close of each fiscal year. Each partner's distributive share of profits shall be computed based on his percentage share of total partnership capital after the close of the previous fiscal year, but before the beginning of the next fiscal year. Losses shall be borne equally, without regard to Capital Account balances. At the close of each fiscal year, each Income Account shall be closed out and the balance transferred to each partner's respective Capital Account.

2.4 DRAWING ACCOUNTS. An individual Drawing Account shall be maintained for each Partner. It shall be debited with his withdrawals. At the close of each fiscal year, each Drawing Account shall be closed out and the balance transferred to each partner's respective Capital Account.

2.5 LIMITATION ON WITHDRAWALS. Except by unanimous agreement of the other Partners, no Partner shall make a withdrawal which would:

(a) Reduce Partnership cash below $100,000.00; or

(b) Make the balance in his Drawing Account exceed the combined net credit balance of his Capital Account plus his Income Account [illegible]

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and his Distributive Share of estimated profits or losses since the last entries in his Income Account.

Any excessive withdrawal shall be promptly restored.

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## ARTICLE III

## Other Financial and Accounting Matters

3.1 METHOD OF ACCOUNTING. The Partnership shall keep its accounts on the cash basis. The accounts shall readily disclose items which the Partners take into account separately for income tax purpose. As to matters of accounting not provided for in this agreement, generally accepted accounting principles shall govern.

3.2 FISCAL YEAR. The fiscal year of the Partnership shall be the calendar year.

3.3 DISTRIBUTIVE SHARES. The profits or losses of the Partnership shall be distributable or chargeable, as the case may be, based on the monthly weighted average relationship of each partner's combined Capital Account and Drawing Account, without regard to his Income Account.

3.4 INTEREST. No interest shall be paid on the Capital Accounts.

3.5 [illegible]. [illegible] shall promptly indemnify each Partner in respect of payments reasonably made and personal liabilities reasonably incurred by him in the ordinary conduct of its business, or for the preservation of its business or property.

## ARTICLE IV

## Property

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4. [redacted]TNERSHIP PROPERTY. The [redacted]rty described in Appendix A shall be deemed partnership property. Other property may be contributed to the Partnership upon the same terms by

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unanimous agreement of the Partners. All Partnership property shall be so recorded in the Partnership accounts.

4.2 METHOD OF HOLDING PARTNERSHIP PROPERTY. Partnership property (including real estate), may, by unanimous consent of the Partners, be acquired and conveyed in the name of any Partner or other person as nominee for the Partnership. Such property shall be recorded as Partnership property in the Partnership accounts.

4.3 PROPERTY MADE AVAILABLE FOR PARTNERSHIP USE. Appendix A to this agreement identifies certain property being made available for Partnership use. This property shall remain the property of the Partners presently owning it, but it shall not be withdrawn from partnership use prior to dissolution without unanimous consent of the Partners. No rental shall be paid by the Partnership for the use of such property, but all usual and customary operating expenses and taxes shall be treated as an expense of the Partnership in determining profits or losses. Such property shall not be recorded as Partnership assets in the Partnership accounts. Other property may be made available for Partnership use on such terms as the Partners may unanimously agree.

## ARTICLE V

## Operations

5.1 MANAGEMENT. Ralph A. de Chabert, Austin A. de Chabert, and Mario N. de Chabert shall be the sole managers of the Partnership and shall receive such compensation as may be

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decided upon by a majority of the Partners. They shall make all decisions affecting the operation of the Partnership business except as provided in Paragraph 5.2.

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5.2 MATTERS REQUIRING UNANIMITY. No Partner shall, without the consent of the other Partners (which consent shall not be unreasonably withheld), do any of the following:

(a) Assign the Partnership property in trust for creditors or on the assignee's promise to pay the debts of the Partnership.

(b) Dispose of the good will of the business.

(c) Do any other act which would make it impossible to carry on the ordinary business of the Partnership.

(d) Confess a judgment.

(e) Submit Partnership claim or liability to arbitration or conference.

(f) Make, execute or deliver for the Partnership any bond, mortgage, deed of trust, guarantee, indemnity bond, surety bond, or accommodation endorsement.

(g) Borrow money in excess of Fifty Thousand Dollars ($50,000.00) in the Partnership name, or use Partnership property as collateral for any loan in excess of Fifty Thousand Dollars ($50,000.00) except that any two of the managing Partners may for Partnership purposes only borrow money in excess of Two Hundred Fifty Thousand Dollars ($250,000.00), or use Partnership property as collateral for any loan in excess of Two Hundred Fifty Thousand Dollars ($250,000.00).

(h) Assign, transfer, pledge, compromise, or release any claim of or debt owing to the Partnership except upon payment in full.

(i) Convey any Partnership real property.

(j) Pledge or transfer in any manner his interest in the

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Partnership except to another Partner.

(k) The Partnership shall not be responsible for any personal guarantee, personal loans, or other obligations in excess

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of Fifty Thousand Dollars ($50,000.00), not connected or related to the Partnership business nor shall any of the proprety listed in Appendix B of this agreement be mortgaged or otherwise encumbered by any Partner without unanimous consent of the other Partners.

5.3 TIME. The Partners shall devote their entire time and attention to the business of the Partnership, except that they may devote reasonable time to civic, family, and personal affairs, or to any other business in which the Partners may have an interest.

5.4 BOOKS. The Partnership books shall be kept at the principal place of business of the Partnership, and every Partner shall at all times have access to and may inspect and copy any of them.

5.5 BANK ACCOUNTS. The Partnership shall maintain such bank accounts as the Partners shall determine. Checks shall be drawn for Partnership purposes only, and may be signed by any person or persons designated by the Partners. All monies received by the Partnership shall be deposited in such account or accounts.

## [illegible]

## Dissolution

6.1 CAUSES OF DISSOLUTION. The Partnership shall be dissolved by the first of the following which happens:

(a) Upon expiration of this agreement.

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(b) Unanimous agreement of the Partners to dissolve.

9 3 0 4 0 9 2 5 5 5 0

(c) Voluntary withdrawal of a Partner.

(d) Retirement of a Partner.

6.2 MANNER OF RETIREMENT. Any Partner may retire upon six months prior written notice to the other Partners.

6.3 VOLUNTARY WITHDRAWAL. Upon voluntary withdrawal of any one or two of the Partners the remaining Partners shall have the right to continue the Partnership business under the same name, by themselves or with any other person or persons they may select and shall have the option to purchase the withdrawing Partners interest in the Assets listed in Appendix B of this agreement and shall pay to the withdrawing Partner his value of interest, pro rata, based on the total partnership capital. Value of interest shall mean the fair market value of partnership assets less partnership liabilities as determined by a qualified appraiser to be selected by the remaining Partners. Payment shall be made to the withdrawing Partner in ten (10) equal annual installments, together with interest at the rate of six percent (6%) per annum on the unpaid balance. Payment shall commence within six months of the date that the fair market value is established by appraisal.

6.4 NOTICE OF DISSOLUTION. Actual notice of dissolution shall be given to all persons who have extended credit to the Partnership and the Partners shall cause such notice to be published in the local newspaper.

6.5 RIGHT TO CONTINUE. If dissolution occurs under [illegible] the remaining Partners shall

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Paragraph 6.1 (a), (b), (c), or (d), the remaining Partners shall have the right to continue the Partnership business under the same name, by themselves or with any other persons they may select.

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6.6 PAYMENT IF PARTNERSHIP CONTINUED. If the remaining Partners continue the Partnership business under Paragraph 6.5, they shall pay to the other Partner, his legal representatives, heirs, or assigns, the value of his interest as defined in Paragraph 6.7, as of the date of dissolution, and no more or no less. Payment shall be made at least one-tenth within six months after the voluntary withdrawal of a Partner or his retirement, and the remainder shall be paid in nine (9) annual installments, together with interest at the rate of six percent (6%) per annum computed on the unpaid balance; each due on the anniversary date of the withdrawal. A retiring Partner or a deceased Partner's estate may elect at his (her) option to leave the property or the value of his (her) interest in the Partnership and receive a proportionate share of the profits.

6.7 VALUE OF INTEREST. The value of a Partner's interest shall be the net fair market value:

(a) The sum of:

i. His Capital Account
ii. His Income Account
iii. Any other amounts due and owing to him by the Partnership,
iv. Good will;

(b) Less the sum of:

i. His Drawing Account
ii. Any other amounts due and owing by him to the Partnership.

6.8 WINDING UP AND LIQUIDATION. Upon dissolution, if the Partnership business is not continued under Paragraph 6.5, it shall be wound up and liquidated as rapidly as business cir-

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cumstances will permit. The assets shall be applied to the following purposes in the following order:

(a) To pay or provide for all amounts owing by the Partnership to creditors other than Partners, and for expenses

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of winding up.

(b) To pay or provide for all amounts owing by the Partnership to Partners other than for capital and profits.

(c) To pay or provide for all amounts owing by the Partnership to Partners in respect of profits.

6.9 METHOD OF DISTRIBUTION OF ASSETS. To the extent feasible, all distributions in liquidation shall be made pro rata to the Partners in kind, based on their respective Capital Account balances.

## ARTICLE VII

## Miscellaneous

7.1 DEATH OF PARTNER. Upon the death of any Partner, his estate, or any person(s) to whom he has bequeathed his partnership interest, shall have the right either to continue as a member in the partnership or to sell the decedent's interest in the Partnership under the terms of Paragraph 7.2, to the surviving partners. The election to continue as a member of the Partnership shall be exercised by the service of notice in writing upon the surviving Partners within six (6) months after the death of the decedent.

If the personal representative or legatee(s) elects to continue in the Partnership, he shall succeed to all the rights and be subject to all the obligations of the deceased Partner under this agreement, except that in the case of a personal representative he shall not be liable for Partnership debts in excess of his interest in the Partnership assets.

If the personal representative or legatee(s) shall not

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elect to continue in the Partnership, he shall be deemed to have elected to sell the interest of the deceased in the Partnership. The selling price shall be determined under the provisions of Paragraph 6.6, 6.7, and 6.8.

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7.2 PARTNERSHIP BUY AND SELL AGREEMENT. The Partnership shall secure and own life insurance policies on the lives of the Partners and shall pay the premiums on said policies. The Partnership is and shall be the owner of and the beneficiary under the policy on the life of each insured. The Partnership shall have the exclusive right to receive during the lifetime of the insured all dividends from said policy, the right to borrow on said policy and to exercise any other privilege or option contained in such policy. The Partnership shall not exercise the right to borrow on any policy owned by it, nor exercise its rights to change the beneficiary arrangements under such a policy without giving to the insured under such policy thirty (30) days written notice. Upon the death of any of the Partners the proceeds from the policy shall be used to purchase the deceased Partner's interest in the business and if any amounts realized from the life insurance proceeds exceeds the value of the interest to be purchased, such excess shall be allocated solely to the surviving Partners and the deceased Partner shall have no distributive share of such part of the proceeds of such insurance.

The Partnership shall from time to time secure additional policies on the lives of the Partners as may be necessary to meet any increase in each Partners share.

It is expressly understood that the proceeds of any insurance policy payable by virtue of death of a Partner in

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excess of the value of such policy as carried on the books shall not be included in the valuation of the interest of that Partner.

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7.3 ARBITRATION. Any controversy or claim arising out of or relating to this agreement, or the breach thereof, shall be settled by arbitration in accordance with the rules, then obtaining, of the American Arbitration Association, and judgment, upon the award rendered, may be entered in any court having jurisdiction thereof.

7.4 BINDING EFFECT. This agreement shall bind the Partners, their heirs, personal representatives, and assigns, and shall supersede the General Partnership Agreement entered into between the Partners on July 1, 1967.

IN WITNESS WHEREOF, the Partners have signed this Agreement, this 4th day of April, 1975.

IN WITNESS:

(as to all signatures)

RALPH A. DE CHABERT, M.D.

AUSTIN A. DE CHABERT

RITA M. SCHUSTER

SHIRLEY J. M. HIGHFIELD

MARIO N. DE CHABERT

9304092559

9 3 0 4 0 9 2 5 5 6 0

RON DE LUGO
DELEGATE, VIRGIN ISLANDS

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

CHAIRMAN, SUBCOMMITTEE ON INSULAR AND INTERNATIONAL AFFAIRS

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

COMMITTEE ON EDUCATION AND LABOR

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

# Congress of the United States
## House of Representatives
## Washington, DC 20515

PLEASE RESPOND TO:

☐ WASHINGTON OFFICE:
2238 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-1790
FAX (202) 225-9392

☐ DISTRICT OFFICES:
U.S. FEDERAL BUILDING, SUITE 256
ST. THOMAS, VI 00801
(809) 774-4408
FAX (809) 774-8033

☐ P.O. BOX 5998
SUNNY ISLE SHOPPING CENTER
ST. CROIX, VI 00820
(809) 778-5900
FAX (809) 778-6111

September 29, 1992

Mr. Lawrence M. Noble
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Mr Noble:

This letter is to inform you that I wish to waive my rights to confidentiality under 2 U.S.C. 437g(a)(4)(B) and 437g(a)(12)(A) regarding complaint number MUR 3611, for the purpose of discussions concerning said complaint between the Federal Election Commission and the Honorable Charles Rose, Chairman of the House of Representatives Committee on House Administration.

Thank you in advance for your cooperation on this matter.

Sincerely,

Ron de Lugo
Member of Congress

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
92 OCT -1 PM 4:10

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM
OCT 1 11 34 AM '92

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RECEIVED
F.E.C.
SECRETARIAT
92 OCT -1 AM 9:50

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 1, 1992

**MEMORANDUM**

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

**SENSITIVE**

SUBJECT: MUR 3611
Waiver of Confidentiality

On September 29, 1992, Congressman Ron de Lugo, (Delegate, Virgin Islands), a respondent in the above-referenced matter, requested that the Commission acknowledge a limited waiver of confidentiality under 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A). According to the letter, the waiver is limited to "discussions concerning said complaint between the Federal Election Commission and the Honorable Charles Rose, Chairman of the House of Representatives Committee on House Administration." A conversation with respondent's staff revealed that the waiver encompasses FEC staff and House Administrative staff, particularly those involved in a joint meeting set for October 5, 1992. Respondent apparently wishes to offer this case as an example of confidentiality constraints barring respondents from answering politically damaging allegations before the election.

Although the Commission generally hesitates to acknowledge partial waivers of confidentiality, for the limited purposes of this request, this Office recommends acknowledging the waiver. However, the proposed letter to Mr. de Lugo expressly states that, pursuant to the ex parte regulations at 11 C.F.R. § 111.22, the Commissioners are prohibited from discussing ongoing enforcement matters with parties outside the agency. Further, this matter includes other respondents, none of whom have submitted a waiver. Accordingly, Mr. de Lugo's waiver pertains solely to information concerning him.

**RECOMMENDATION:**

Approve the attached letter.

Attachments
A. Waiver
B. Proposed letter

9304092556 2

BEFORE THE FEDERAL ELECTION COMMISSION

| | | |
|---|---|---|
| In the Matter of | ) | |
| | ) | |
| Congressman Ron de Lugo, Delegate, Virgin Islands -- Waiver of Confidentiality. | ) | MUR 3611 |

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 1, 1992, the Commission decided by a vote of 6-0 to approve the letter, as recommended in the General Counsel's Memorandum dated October 1, 1992.

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

Attest:

10-2-92
Date

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

Received in the Secretariat: Thurs., Oct. 01, 1992 9:50 a.m.
Circulated to the Commission: Thurs., Oct. 01, 1992 11:00 a.m.
Deadline for vote: Fri., Oct. 02, 1992 11:00 a.m.

bjr

93040925563

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 2, 1992

The Honorable Ron de Lugo
House of Representatives
Washington, D.C. 20515

RE: MUR 3611
Ron de Lugo

Dear Mr. de Lugo:

This is in response to your letter dated September 29, 1992, waiving your right to confidentiality pursuant to 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), in the above-captioned matter. According to your letter, the request is limited to discussions of the matter between the Federal Election Commission and Chairman Charles Rose of the House of Representatives Committee on House Administration. A discussion with your staff noted that the waiver encompasses FEC staff and House Administration Committee staff, particularly those involved in a joint meeting set for October 5, 1992.

The Federal Election Commission hereby acknowledges this waiver of confidentiality for the limited purposes of this request. Please note that this waiver pertains to information concerning you alone, and does not pertain to any other respondents in this matter. Thus, you may not disclose any information pertaining to other respondents in this matter until notified by the Commission that the entire file in this matter is closed.

Finally, the Commission cautions that, pursuant to its ex parte regulations at 11 C.F.R. § 111.22, the Commissioners are prohibited from discussing ongoing enforcement matters with parties outside the agency.

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

Sincerely,

Lawrence M. Noble
General Counsel

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RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

OCT 2 11 20 AM '92

LEON HESS
1185 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10036

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

92 OCT -2 PM 3:39

September 30, 1992

Ms. Lisa E. Klein
Assistant General Counsel
Federal Election Commission
Washington, DC 20463

Re: MUR3611

Dear Ms. Klein:

This is in response to your letter of September 24, 1992 regarding a complaint that I may have violated the Federal Election Campaign Act of 1971, as amended, (the "Act") in connection with a contribution I made to the General Election Campaign of Representative Ron de Lugo in July 1992. Attached is my affidavit which sets forth the facts regarding this contribution. As stated in my affidavit, I do not believe that I committed a violation of the Act, and based on the facts in the affidavit, the Federal Election Commission should dismiss the complaint insofar as it involves me.

Very truly yours,

Leon Hess

Attachment

93040925565

# AFFIDAVIT

State of New York } Before the Federal Election Commission
} ss.: MUR 3611
County of New York }

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
92 OCT -2 PM 3:39

Leon Hess, being first by me duly sworn, deposes and says:

1. I am a resident of New York City and have my office at 1185 Avenue of the Americas, New York, New York 10036.

2. I make this affidavit in response to the complaint of Victor O. Frazer filed with the Federal Election Commission (the "FEC"), a copy of which was furnished to me under cover of an FEC letter dated September 24, 1992.

3. Mr. Frazer's complaint alleges that I made two contributions totalling $1,500.00 to the primary election campaign of Representative Ron de Lugo in violation of Section 441 (a)1(A) of the Federal Election Campaign Act of 1971 (the "Act").

4. I have reviewed my records pertaining to my July 28, 1992 contribution of $1,000.00 to Representative de Lugo's election campaign. A copy of my check and transmittal letter is attached as Exhibit "A". I intended my contribution to be for the general election, and did not intend it to be for a primary election.

5. I have been advised by Representative de Lugo that his pre-primary report filed with the FEC erroneously attributed my July 1992 contribution to a primary election. That was contrary to my intention, and I have requested Representative de Lugo to amend his report to the FEC to properly attribute this contribution to the general election. A copy of my letter to Representative de Lugo is attached as Exhibit "B".

6. In view of the above facts, I respectfully request that the complaint of Victor O. Frazer, insofar as it alleges a violation of the Act by me, be dismissed.

Leon Hess

Leon Hess

Sworn to before me this 30th day
of September, 1992

Averill M. Williams

Notary Public

AVERILL M. WILLIAMS
Notary Public, State of New York
No. 60-4279450
Qualified in Westchester County
Certificate Filed in New York County
Commission Expires December 31, 1993

93040925566

LEON HESS
1185 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10036

July 28, 1992

EXHIBIT A

Dear Ron,

Attached hereto is a contribution to your Committee for this coming election.

If you will send me two or three blank forms, I shall solicit several of my friends and ask each of them to make a contribution.

With best wishes,

Sincerely,

Leon

The Honorable Ron de Lugo
2238 Rayburn House Office Building
Washington, D.C. 20515-5501

9304092555 67

LEON HESS
1185 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10036

July 28, 1992

EXHIBIT A-2

Dear Ron,

Attached hereto is a contribution to your Committee for this coming election.

If you will send me two or three blank forms, I shall solicit several of my friends and ask each of them to make a contribution.

With best wishes,

Sincerely,

Leon

The Honorable Ron de Lugo

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LEON HESS
1185 AVENUE OF THE AMERICAS
NEW YORK, NY 10036

8129

July 27, 19 92

1-8/210
Branch 522

PAY TO THE ORDER OF Ron de Lugo Congressional Committee $ 1,000.00

EXACTLY ONE THOUSAND AND 00 CTS DOLLARS

Citibank, N.A.
Citicorp Center
153 E. 53rd Street
New York, N.Y. 10043

CITICORP CITIBANK
Private Banking Group

FOR

⑈008129⑈ ⑆021000089⑆ 400 37144458⑈

LEON HESS
1185 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10036

EXHIBIT B

September 29, 1992

Dear Ron:

Thank you for your letter of September 28, 1992 regarding my July 1992 contribution to your General Election campaign. This contribution was intended by me for the General Election, not any primary election, although it was erroneously attributed to a primary election campaign in your pre-primary report to the Federal Election Commission.

I would appreciate it if you would take the required action to amend your report to the Federal Election Commission to show the proper attribution of this contribution to the General Election.

Sincerely,

Leon Hess

The Honorable Ron de Lugo
2238 Rayburn House Office Building
Washington, DC 20515-5501

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RON de LUGO CONGRESSIONAL COMMITTEE
P.O. Box 3867
St. Thomas, U.S.V.I. 00801

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

OCT 14 12 10 PM '92

October 7, 1992

Ms. Lisa E. Klein
Assistant General Counsel
Federal Election Commission
Washington, D.C. 20463

Dear Ms. Klein:

92 OCT 14 PM 4:13
RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

re: MUR 3611

On September 28, 1992 I received your letter dated September 24, 1992 with which you forwarded to me a copy of the above referenced complaint dated September 15, 1992.

The complaint is completely groundless. I am required by federal election law to file a pre-primary report whether I have a primary or not. The two other complaints relate to technical reporting errors, one of which was corrected before the complaint was even filed.

The complaint is clearly a deliberate, premeditated manipulation of Federal Election Commission rules and regulations to make it appear that I am under some kind of ethical cloud. By filing the charge so late - after months of talking about it in the local media - the complainant knew the FEC's bureaucratic review process would probably preclude any resolution before the election, thus leaving the ethical cloud over my head. I enclose for your review a copy of his press release of Septmeber 16, 1992 and an article from the local press the following day.

In the interest of fair play, I would urge you to expedite your review of this ludicrous complaint so your decision can be issued before the election. My formal response to the three "charges" is written below.

It must be noted that the complainant is also publically accusing me (and calling national and local media to accuse me) of even more so-called violations: using campaign funds to pay for expenses at the Democratic Convention in New York in July, and contributing money to a senatorial campaign. Neither one of these is a violation (as he well knows) nor did he file any complaint.

In formally responding, as per your rules and regulations, to the charge of filing a pre-election report for a primary election when in fact I was unopposed, I set forth and affirm the following:

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(1) that a pre-election report was filed on August 24, 1992 with the Office of the Clerk of the House of Representatives, as alleged in complaint;

(2) that said filing was in compliance with the Federal Election Campaign Act of 1971, as amended ("the Act"), and current Federal Election Commission regulations;

(3) that the Act provides that the treasurer of a congressional candidate's principal campaign committee shall file a pre-election report before "any election in which such candidate is seeking...nomination for election" [2 U.S.C.431(a)(2)(A)(i)];

(4) that current Commission regulations also express this requirement with respect to any "primary and general election" in which the candidate seeks elections [11 CFR 104.5 (a)(1)(i)];

(5) that the Act's contribution limit applies to contributions made to a candidate for Federal office with respect to each separate election in which the candidate participates as a candidate [2 U.S.C 441a(a)(1),(2), and (6)];

(6) that the Commission, in Advisory Opinion 1986-21, concluded that a primary election in which a candidate is unopposed is a separate election requiring a pre-election report;

(7) that commission regulations specifically state that an election in which a candidate is unopposed is a separate election [11 CFR 110.1 (j)(2)]; and

(8) that the regulations further states that if no primary election is held because a candidate is unopposed, the date on which the primary would have been help shall be the date of the primary for contribution limitation purposes [11 CFR 110.1 (j)(3)].

With respect to the complaint that on Page 1 of Schedule A of the Report of Receipts and Disbursements covering the period of July 1, 1992 through August 19, 1992, that contributor (g), Ralph de Chabert is listed as having made a $1,500.00 contribution on August 13, 1992 in violation of Section 441a (a) 1A of the Federal Election Campaign Laws, the facts are as follows:

(1) that said $1,500.00 contribution from Ralph de Chabert was incorrectly designated;

(2) that an amended return correctly designating the contribution was filed with the Office of the Clerk of the House on

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September 14, 1992, that is, before the complaint was filed against me.

Finally, regarding the contribution from Leon Hess on the same report, attached are appropriate documents:

(1) from Mr. Hess requesting that his contribution be listed as being made for the General Election, in compliance with current Commission regulations, and

(2) a copy of an amendment to the pre-primary report correcting the designation which I filed last week with the Office of the Clerk of the House.

Sincerely,

Ron de Lugo
Member of Congress

RDL:lth

Enclosure

93040925572

Office of the Clerk — Records and Registration

U.S. House of Representatives

Hand delivered this date _____

## ACKNOWLEDGMENT OF RECEIPT

___ For Candidate _____

X For Committee Ron De Lugo Cong. Committee

___ For Individual _____

### TYPE OF REPORT

**(Check Appropriate Box and Complete, if applicable)**

93040925573

- ☐ Candidate Statement
- ☐ April 15 Quarterly Report
- ☐ July 15 Quarterly Report
- ☐ October 15 Quarterly Report
- ☐ January 31 Year End Report
- ☐ July 31 Mid Year Report (Non-Election Year Only)
- ☐ Statement of Organization
- ☑ Twelfth day report preceding Primary election on 9/8/92 in the State of V.I.
- ☐ Thirtieth day report following the General Election on _____ in the State of _____
- ☐ Termination
- ☒ Amendment

☐ Lobby Report

☐ Lobby Postcard

For

| | QUARTER | | | |
|---|---|---|---|---|
| P | 1st | 2d | 3d | 4th |
| | | | | |

☐ Termination

☐ Amendment

☐ Ethics in Government Act-Financial Disclosure Statement

☐ Amendment

☐ Other _____

Received by DEH

# REPORT OF RECEIPTS AND DISBURSEMENTS

**For An Authorized Committee**
(Summary Page)

USE FEC MAILING LABEL OR TYPE OR PRINT

1. NAME OF COMMITTEE (in full)
RON DE LUGO CONGRESSIONAL COMMMITTEE

ADDRESS (number and street) ☐ Check if different than previously reported.
P.O. BOX # 279

CITY, STATE and ZIP CODE — STATE/DISTRICT
CHRISTIANSTED, ST. CROIX, V.I. 00820

2. FEC IDENTIFICATION NUMBER
C-00524864

3. IS THIS REPORT AN AMENDMENT?
☒ YES ☐ NO

## 4. TYPE OF REPORT

☐ April 15 Quarterly Report
☐ July 15 Quarterly Report
☐ October 15 Quarterly Report
☐ January 31 Year End Report
☐ July 31 Mid-Year Report (Non-election Year Only)

☒ Twelfth day report preceding PRIMARY (Type of Election) election on 9/8/92 in the State of VIRGIN ISLANDS
☐ Thirtieth day report following the General Election on _____ in the State of _____
☐ Termination Report

This report contains activity for ☐ Primary Election ☒ General Election ☐ Special Election ☐ Runoff Election

## SUMMARY

| 5. Covering Period 7/1/92 through 8/19/92 | COLUMN A This Period | COLUMN B Calendar Year-to-Date |
|---|---|---|
| 6. Net Contributions (other than loans) | | |
| (a) Total Contributions (other than loans) (from Line 11(e)) | $ 12,400.00 | $ 13,000.00 |
| (b) Total Contribution Refunds (from Line 20(d)) | -- | -- |
| (c) Net Contributions (other than loans) (subtract Line 6(b) from 6(a)) | $ 12,400.00 | $ 13,000.00 |
| 7. Net Operating Expenditures | | |
| (a) Total Operating Expenditures (from Line 17) | $ 4,728.50 | $ 7,968.67 |
| (b) Total Offsets to Operating Expenditures (from Line 14) | -- | -- |
| (c) Net Operating Expenditures (subtract Line 7(b) from 7(a)) | $ 4,728.50 | $ 7,968.67 |
| 8. Cash on Hand at Close of Reporting Period (from Line 27) | $ 14,716.41 | |
| 9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D) | -- | |
| 10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D) | -- | |

For further information contact:
Federal Election Commission
999 E Street, NW
Washington, DC 20463
Toll Free 800-424-9530
Local 202-376-3120

*I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.*

Type or Print Name of Treasurer
DAVID M. HAMILTON, TREASURER

Signature of Treasurer — Date 10/2/92

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

9304092557 4

**FEC FORM 3**
(revised 4/87)

# DETAILED SUMMARY PAGE
of Receipts and Disbursements
(Page 2, FEC FORM 3)

Name of Committee (in full): RON DE LUGO CONGRESSIONAL COMMITTEE

Report Covering the Period: From: 7/1/92 To: 8/19/92

| I. RECEIPTS | COLUMN A Total This Period | COLUMN B Calendar Year-To-Date | |
|---|---|---|---|
| 11. CONTRIBUTIONS (other than loans) FROM: | | | |
| (a) Individuals/Persons Other Than Political Committees | | | |
| (i) Itemized (use Schedule A) | $ 9,800.00 | | 11(a)(i) |
| (ii) Unitemized | 150.00 | | 11(a)(ii) |
| (iii) Total of contributions from individuals | $ 9,950.00 | $ 10,550.00 | 11(a)(iii) |
| (b) Political Party Committees | | | 11(b) |
| (c) Other Political Committees (such as PACs) | $ 2,450.00 | 2,450.00 | 11(c) |
| (d) The Candidate | | | 11(d) |
| (e) TOTAL CONTRIBUTIONS (other than loans )(add 11(a)(iii), (b), (c) and (d)) | $12,400.00 | $ 13,000.00 | 11(e) |
| 12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES | | | 12 |
| 13. LOANS: | | | |
| (a) Made or Guaranteed by the Candidate | | | 13(a) |
| (b) All Other Loans | | | 13(b) |
| (c) TOTAL LOANS (add 13(a) and (b)) | | | 13(c) |
| 14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.) | | | 14 |
| 15. OTHER RECEIPTS (Dividends, Interest, etc.) | | | 15 |
| 16. TOTAL RECEIPTS (add 11(e), 12, 13(c), 14 and 15) | $12,400.00 | $ 13,000.00 | 16 |
| **II. DISBURSEMENTS** | | | |
| 17. OPERATING EXPENDITURES | $4,728.50 | $ 7,968.67 | 17 |
| 18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES | | | 18 |
| 19. LOAN REPAYMENTS: | | | |
| (a) Of Loans Made or Guaranteed by the Candidate | | | 19(a) |
| (b) Of All Other Loans | | | 19(b) |
| (c) TOTAL LOAN REPAYMENTS (add 19(a) and (b)) | | | 19(c) |
| 20. REFUNDS OF CONTRIBUTIONS TO: | | | |
| (a) Individuals/Persons Other Than Political Committees | | | 20(a) |
| (b) Political Party Committees | | | 20(b) |
| (c) Other Political Committees (such as PACs) | | | 20(c) |
| (d) TOTAL CONTRIBUTION REFUNDS (add 20(a), (b) and (c)) | | | 20(d) |
| 21. OTHER DISBURSEMENTS | | | 21 |
| 22. TOTAL DISBURSEMENTS (add 17, 18, 19(c), 20(d) and 21) | $ 4,728.50 | $ 7,968.67 | 22 |

## III. CASH SUMMARY

| | | |
|---|---|---|
| 23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD | $ 7,044.91 | 23 |
| 24. TOTAL RECEIPTS THIS PERIOD (from Line 16) | $ 12,400.00 | 24 |
| 25. SUBTOTAL (add Line 23 and Line 24) | $ 19,444.91 | 25 |
| 26. TOTAL DISBURSEMENTS THIS PERIOD (from Line 22) | $ 4,728.50 | 26 |
| 27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (subtract Line 26 from 25) | $ 14,716.41 | 27 |

HEDULE A

ITEMI[redacted]ECEIPTS

Use separate schedule(s) [redacted] each category of the [redacted] Summary Page

PAGE 1 OF 1

FOR LINE NUMBER 11(a) i

ny information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial rposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)

RON DE LUGO CONGRESSIONAL COMMITTEE

| A. Full Name, Mailing Address and ZIP Code | Name of Employer | Date (month, day, year) | Amount of Each Receipt this Period |
|---|---|---|---|
| Leon Hess<br>1185 Avenue of the Americas<br>New York, N.Y. 10036 | Amerada Hess Corporation | 8/13/92 | $1,000.00 |
| Receipt For: [ ] Primary [X] General [ ] Other (specify): | Occupation: President<br>Aggregate Year-to-Date > $ | | |
| B. Full Name, Mailing Address and ZIP Code | Name of Employer | Date (month, day, year) | Amount of Each Receipt this Period |
| | Occupation | | |
| Receipt For: [ ] Primary [ ] General [ ] Other (specify): | Aggregate Year-to-Date > $ | | |
| C. Full Name, Mailing Address and ZIP Code | Name of Employer | Date (month, day, year) | Amount of Each Receipt this Period |
| | Occupation | | |
| Receipt For: [ ] Primary [ ] General [ ] Other (specify): | Aggregate Year-to-Date > $ | | |
| D. Full Name, Mailing Address and ZIP Code | Name of Employer | Date (month, day, year) | Amount of Each Receipt this Period |
| | Occupation | | |
| Receipt For: [ ] Primary [ ] General [ ] Other (specify): | Aggregate Year-to-Date > $ | | |
| E. Full Name, Mailing Address and ZIP Code | Name of Employer | Date (month, day, year) | Amount of Each Receipt this Period |
| | Occupation | | |
| Receipt For: [ ] Primary [ ] General [ ] Other (specify): | Aggregate Year-to-Date > $ | | |
| F. Full Name, Mailing Address and ZIP Code | Name of Employer | Date (month, day, year) | Amount of Each Receipt this Period |
| | Occupation | | |
| Receipt For: [ ] Primary [ ] General [ ] Other (specify): | Aggregate Year-to-Date > $ | | |
| G. Full Name, Mailing Address and ZIP Code | Name of Employer | Date (month, day, year) | Amount of Each Receipt this Period |
| | Occupation | | |
| Receipt For: [ ] Primary [ ] General [ ] Other (specify): | Aggregate Year-to-Date > $ | | |

SUBTOTAL of Receipts This Page (optional) . . . . . > $1,000.00

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

2340255760

PRESS RELEASE

FOR IMMEDIATE RELEASE
SEPTEMBER 16, 1992

CONTACT: VINCENT FRAZER, ESQ.
CAMPAIGN MANAGER/809-774-2100

Victor O. Frazer, an Independent candidate for Congress in the Virgin Islands, has lodged a complaint with the Federal Elections Commission accusing his Democratic opponent, Representative Ron de Lugo, of filing a false report with the Clerk of the House of Representatives. Frazer, a former Hill staffer, accused de Lugo of filing a "Twelfth Day Report" preceding a primary election on September 8, 1992 which he knew would not take place since no one had filed as a candidate in the Democratic Primary. Further, Frazer said that the Supervisor of Elections informed him that no primary election for Delegate to Congress had been considered or contemplated because there was no democratic challenger to the incumbent. In spite of having reason to know that there would be no primary, de Lugo solicited contributions and made disbursements "allegedly" in connection with a "primary" which the Chairman of the Virgin Islands Board of Elections said the incumbent had "no reason whatsoever to believe" was going to be held.

De Lugo is accused by Frazer of "intentionally, and in possession of all the pertinent facts to the contrary, misleading contributors into believing that he was involved in a primary election, and knowingly misrepresenting these activities to the Clerk of the House." Frazer said that his actions were tantamount to fraud. In addition, Frazer lists de Lugo supporters, who from the Delegate's own report have made contributions in excess of the $1,000.00 permitted by the Federal Elections Campaign Laws.

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THE LAW OFFICES OF

R. ERIC MOORE

IS PLEASED TO ANNOUNCE THAT WE HAVE RELOCATED
OUR OFFICE TO ITS ORIGINAL LOCATION AT
2108 COMPANY STREET, 2ND FLOOR (LOT 55A)
IN THE MAHOGANY INN
(ABOVE THE CAPTAIN'S TABLE)

OUR MAILING ADDRESS, TELEPHONE,
AND FAX NUMBERS REMAIN THE SAME

P.O. BOX 3086, DOWNTOWN STATION
CHRISTIANSTED, V.I. 00822-3086
TELEPHONE: (809) 773-4150
FAX: (809) 778-7168

# De Lugo: Set hearing for Finch

Daily News Staff

V.I. Delegate to Congress Ron de Lugo said Wednesday he is pressing the U.S. Senate Judiciary Committee to schedule a confirmation hearing for Territorial Court Judge Raymond Finch.

President George Bush nominated Finch June 18 for a seat on the District Court bench.

Congressional Democrats have urged a slowdown on consideration of Bush nominations in hopes that Bill Clinton will win the presidency and nominate his own candidates.

Ron de Lugo

Judiciary Committee Chairman Joseph Biden, D-Del., said his committee will continue to process nominations, but a staffer could not say Wednesday when Finch's hearing would be scheduled.

He sent the Judiciary Committee a copy of a resolution passed unanimously Sept. 10 by the judges of the U.S. 3rd Circuit Court of Appeals, urging consideration of Finch's nomination. The resolution called vacancies on the District Court "a longstanding judicial emergency."

Until Judge Thomas K. Moore was sworn in Aug. 14, both seats on the Virgin Islands court had been vacant since December 1989.

# False financial report filed, Frazer charges

By HAL HATFIELD
Daily News Staff

Victor O. Frazer, independent candidate for V.I. delegate to Congress, said Wednesday he has filed a complaint against his opponent with the Federal Elections Commission.

Frazer accused incumbent Ron de Lugo of filing a "false" campaign financial report with the U.S. House of Representatives clerk.

He said a pre-primary report de Lugo filed Aug. 24 was unnecessary because de Lugo had no Democratic opponent, and no primary was held for the delegate seat.

"De Lugo solicited contributions and made disbursements 'allegedly' in connection with a 'primary' which the chairman of the Virgin Islands Board of Elections said the incumbent had 'no reason whatsoever to believe' was going to be held," Frazer said.

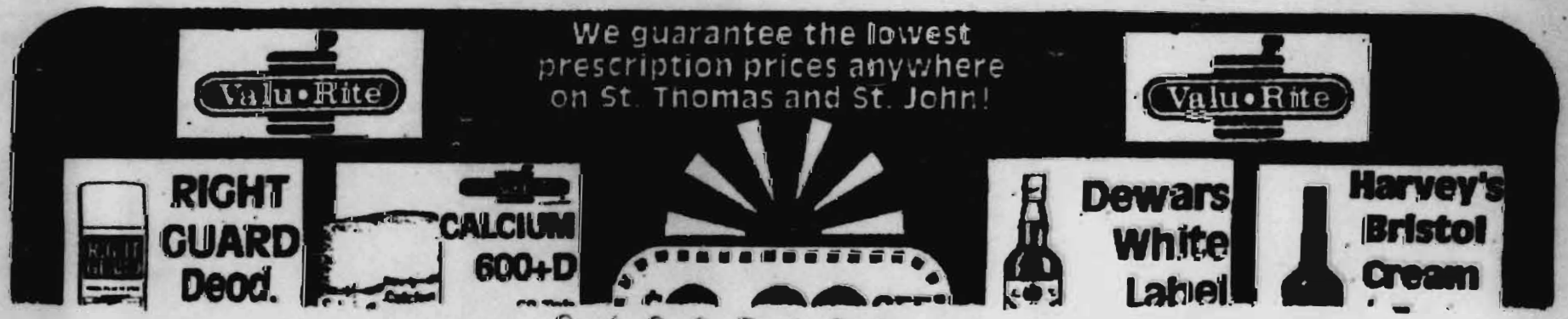
He said de Lugo intentionally misled contributors into believing he was involved in a primary.

Frazer also said he identified contributions to de Lugo in excess of the $1,000 cap permitted by federal election laws.

De Lugo said "federal law states that any candidate for Congress, opposed or unopposed, must file all primary and general election reports just as though he or she had primary opposition."

A 1986 ruling by the FEC states: "The commission has recently concluded that unopposed candidates also have a pre-primary election reporting obligation."

A de Lugo spokesman said an amended report has been filed to correct what appeared to be a contribution in excess of $1,000.



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

SENSITIVE

# FIRST GENERAL COUNSEL'S REPORT

MUR 3611
DATE COMPLAINT RECEIVED
BY OGC: 9/16/92
DATE OF NOTIFICATION TO
RESPONDENTS: 9/24/92
STAFF MEMBER: Frances B. Hagan

COMPLAINANT: Victor O. Frazer

RESPONDENTS: The Honorable Ron de Lugo
Ron de Lugo Congressional Committee
David Hamilton, Treasurer
Ralph de Chabert
Mario de Chabert
Leon Hess

RELEVANT STATUTES: 2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441a(f)
2 U.S.C. § 434(b)
11 C.F.R. § 100.2(a)
11 C.F.R. § 110.1(j)(2)
11 C.F.R. § 103.3(b)

INTERNAL REPORTS CHECKED: Disclosure documents

FEDERAL AGENCIES CHECKED: None

## I. GENERATION OF MATTER

This matter originated as a complaint submitted by Victor O. Frazer, independent candidate for Virgin Islands delegate to Congress, and general election opponent of Ron de Lugo.

## II. FACTUAL AND LEGAL ANALYSIS

11 C.F.R. § 100.2(a) defines election as the process by which individuals, whether opposed or unopposed, seek nomination for election, or election, to federal office. See also 2 U.S.C. § 431(1). Pursuant to 11 C.F.R. § 110.1(j)(2), an election in

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which a candidate is unopposed is a separate election for the purposes of contribution limitations. A primary that is not held because a candidate is unopposed is a separate election for the purposes of the contribution limitations. The date on which the election would have been held shall be considered to be the date of the election. 11 C.F.R. § 110.1(j)(3).

The Federal Election Campaign Act of 1971, as amended prohibits a candidate or committee from knowingly accepting any contribution in violation of the provisions of Section 441a. 2 U.S.C. § 441a(f). The limit for individuals is $1,000 per election. 2 U.S.C. § 441a(a)(1)(A). The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office.

11 C.F.R. § 103.3(b) states that the committee treasurer shall be responsible for examining all contributions received for evidence of illegality and for ascertaining whether contributions received, when aggregated with other contributions from the same contributor, exceed the contribution limitations. 11 C.F.R. § 103.3(b)(3) explains that contributions which exceed the contribution limits when aggregated with other contributions from the same contributor may be either deposited into a campaign depository or returned to the contributor. If deposited, the treasurer may request redesignation or reattribution, as appropriate. If reattribution or redesignation is not obtained, the treasurer shall, within sixty days of the treasurer's receipt of the contribution, refund the contribution to the contributor.

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2 U.S.C. § 434(a) and (b) require that political committees file reports of receipts and expenditures, and set forth the specific filing requirements.

11 C.F.R. § 110.1(e) states that a contribution by a partnership shall be attributed to the partnership and to each partner in direct proportion to his or her share of the partnership profits, according to instructions which shall be provided by the partnership to the political committee or candidate; or by agreement of the partners, as long as: only the profits of the partners to whom the contribution is attributed are reduced and these partners' profits are reduced in proportion to the contribution attributed to each of them. A partnership contribution shall not exceed the limitations.

Pursuant to this regulation, partnerships are to provide committees with instructions as to how the contributions are to be attributed among the partners. Absent such guidance, a committee has the responsibility to look behind the partnership entity to ascertain the individual contributor attribution for aggregation purposes. 2 U.S.C. § 434(b). 11 C.F.R. § 103.3(b).

The complaint states two allegations against the de Lugo campaign. First, complainant challenges the candidate's filing of a 12 Day Report on grounds that the candidate was not involved in a Democratic primary election because he faced no opposition in the race for Virgin Islands Delegate. Second, complainant alleges that violations of 2 U.S.C. §§ 441a(a)(1)(A) and 441a(f) occurred because two individuals made excessive contributions to the Ron de Lugo Congressional Committee ("the Committee").

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Complainant alleges that because the incumbent candidate ran unopposed and no primary election was held, Delegate Ron de Lugo and the Committee improperly solicited contributions and thus misrepresented campaign activities on financial reports. The Committee denied the allegations, stating that the Act requires reports of receipts and disbursements even when a candidate is unopposed for an election.

According to the Commission's Regulations, elections are not determined by whether a candidate has opposition, (see 11 C.F.R. § 100.2(a)), and an election in which a candidate is unopposed is a separate election for purposes of the contribution limitations. 11 C.F.R. § 110.1(j)(2). Thus, an unopposed candidate may raise and expend funds for such election; and the resulting financial activity must be reported. Hence, there appears to be no validity to the complainant's first allegation.

Complainant also alleged that Ralph de Chabert and Leon Hess contributed funds in excess of limitations for the 1992 primary election. According to the complaint, the Committee reported a $1,500 primary contribution from Ralph de Chabert and a $1,000 "joint" contribution from Ralph and Mario de Chabert which, if split evenly, would put Ralph de Chabert over the $1,000 limit. Respondent de Chabert's response indicated that the contributions at issue constitute partnership contributions which, when allocated, do not appear excessive. Respondent stated that two contributions of $1,500 and $1,000 were drawn on the Esperanza Development Company, an unincorporated partnership. The funds apparently represent contributions equally attributable to all

9304092558 2

five sibling partners, or $500 per partner for the primary. Respondent's statement and accompanying check copies show that managing partners Ralph and Mario de Chabert cosigned checks for the partnership.

The Committee originally reported receipt of the $1,500 primary contribution solely from Ralph de Chabert. In September 1992, before the complaint was filed, the Committee amended its 1992 Pre-Primary Report, reattributing the $1,500 check equally among three partners, Ralph and Mario de Chabert, and Rita Schuster. On the 1991 Mid-Year Report, the Committee reported the $1,000 primary contribution from Ralph and Mario de Chabert. Based on a review of FEC disclosure indexes, these donations represent the total contributions from the individuals in the partnership. Thus, it appears that none of the individual partners made an excessive contribution as a result of these transactions. However, under 11 C.F.R. § 110.1(e), there appears to be an excessive contribution from the partnership.

Complainant also alleged that Leon Hess made contributions totaling $1,500 for the primary election, or $500 in excess of limitations. The Committee originally reported pre-primary contributions from Mr. Hess of $500 on June 11, 1991, and $1,000 on August 13, 1992. In a sworn response to the complaint Mr. Hess attested that the second contribution of $1,000 was intended for the general election. Although the original designation was ambiguous, in a letter dated September 29, 1992 -- within 60 days of the August 13, 1992 contribution date -- respondent requested that the Committee amend the appropriate report to reflect a

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general election contribution. The Committee amended its 1992 Pre-Primary Report as requested. Mr. Hess' contribution redesignation within 60 days of the original contribution comports with Commission Regulations at 11 C.F.R. § 110.1(b)(5)(ii)(B). Therefore, no violation of contribution limits occurred in this instance.

Based on the foregoing information, the Office of the General Counsel recommends that the Commission find no reason to believe that Leon Hess, or Ralph and Mario de Chabert violated 2 U.S.C. § 441a(a)(1)(A). The following recommendations to take no further action, resulting in a recommendation to close the file, are made in view of the de minimus nature of the violations and in consideration of the Commission's resources. See Heckler v. Chaney, 470 U.S. 821 (1985). Therefore, based on 11 C.F.R. § 110.1(e), we recommend that the Commission find reason to believe, but take no further action against the partnership for a violation of 2 U.S.C. § 441a(a)(1)(A). Concomitantly, we recommend that the Commission find reason to believe, but take no further against the Committee and treasurer for a violation of 2 U.S.C. § 441a(f) in this matter. This Office recommends that the Commission find reason to believe, but take no further action against the Committee and treasurer for violations of 2 U.S.C. § 434(b) based on the reporting of these receipts; but we recommend that the Commission find no reason to believe that the Committee and treasurer violated any other provision of the Act regarding the 1992 Pre-Primary Report as alleged in this complaint.

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## III. RECOMMENDATIONS

1. Find no reason to believe that the following individuals violated 2 U.S.C. § 441a(a)(1)(A):

   a) Ralph de Chabert;
   b) Mario de Chabert;
   c) Leon Hess.

2. Find reason to believe that the Esperanza Development Company partnership violated 2 U.S.C. § 441a(a)(1)(A), but take no further action.

3. Find reason to believe that the Ron de Lugo Congressional Committee and David Hamilton, as treasurer, violated 2 U.S.C. §§ 434(b) and 441a(f), but take no further action.

4. Find no reason to believe that the Committee and its treasurer violated any other provision of the Act regarding the 1992 primary election as alleged in this complaint.

5. Find no reason to believe that Ron de Lugo violated any provision of the Act based on the allegations in this complaint.

6. Approve the appropriate letters.

7. Close the file.

Lawrence M. Noble
General Counsel

12/17/92
Date

BY: Lois G. Lerner
Associate General Counsel

Attachments
A,B,C: Responses to Complaint

93040925585

BEFORE THE FEDERAL ELECTION COMMISSION

| | | |
|---|---|---|
| In the Matter of | ) | |
| | ) | |
| The Honorable Ron de Lugo; | ) | MUR 3611 |
| Ron de Lugo Congressional Committee; | ) | |
| David Hamilton, Treasurer; | ) | |
| Ralph de Chabert; | ) | |
| Mario de Chabert; | ) | |
| Leon Hess. | ) | |

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on December 22, 1992, the Commission decided by a vote of 4-0 to take the following actions in MUR 3611:

1. Find no reason to believe that the following individuals violated 2 U.S.C. § 441a(a)(1)(A):

   a) Ralph de Chabert;
   b) Mario de Chabert
   c) Leon Hess.

2. Find reason to believe that the Esperanza Development Company partnership violated 2 U.S.C. § 441a(a)(1)(A), but take no further action.

3. Find reason to believe that the Ron de Lugo Congressional Committee and David Hamilton, as treasurer, violated 2 U.S.C. §§ 434(b) and 441a(f), but take no further action.

(Continued)

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4. Find no reason to believe that the Committee and its treasurer violated any other provision of the Act regarding the 1992 primary election as alleged in this complaint.

5. Find no reason to believe that Ron de Lugo violated any provision of the Act based on the allegations in this complaint.

6. Approve the appropriate letters, as recommended in the General Counsel's Report dated December 17, 1992.

7. Close the file.

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

Attest:

12-23-92
Date

Delores R. Hardy
for Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Thurs., Dec. 17, 1992 10:41 a.m.
Circulation to the Commission: Thurs., Dec. 17, 1992 4:00 p.m.
Deadline for vote: Tues., Dec. 22, 1992 4:00 p.m.

dr

9304092558 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 6, 1993

David Hamilton, Treasurer
Ron de Lugo Congressional Committee
P.O. Box 279
St. Croix, VI 00820

RE: MUR 3611
Ron de Lugo Congressional Committee
David Hamilton, as treasurer

Dear Mr. Hamilton:

On December 22, 1992, the Federal Election Commission found reason to believe that the Ron de Lugo Congressional Committee and you, as treasurer, violated 2 U.S.C. §§ 434(b) and 441a(f), provisions 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 regarding these issues. In addition, the Commission found no reason to believe that the Committee and you, as treasurer, violated any other provision of the Act regarding the 1992 primary election as alleged in this complaint and closed its file. The General Counsel's Report which formed a basis for the Commission's finding, is attached for your information.

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 contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosure
GC Report

cc: Honorable Ron de Lugo

93040925588

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 6, 1993

The Honorable Ron de Lugo
U.S. House of Representatives
Washington, D.C. 20515

RE: MUR 3611
Ron de Lugo

Dear Mr. de Lugo:

On September 24, 1992, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On December 22, 1992, the Commission found, on the basis of the information in the complaint and information you provided, that there is no reason to believe you violated any provision of the Act based on the allegations in this complaint. 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
GC Report

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 6, 1993

Mr. Mario de Chabert
Sunny Isle Shopping Center, Inc.
P.O. Box 5994
Christiansted
St. Croix, VI 00823

RE: MUR 3611

Dear Mr. de Chabert:

On September 24, 1992, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On December 22, 1992, the Commission found reason to believe that the Esperanza Development Company partnership violated 2 U.S.C. § 441a(a)(1)(A). However, after considering the circumstances of this matter, the Commission also determined to take no further action regarding this issue. In addition, the Commission found, on the basis of the information in the complaint, that there is no reason to believe that you as an individual violated 2 U.S.C. § 441a(a)(1)(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,

Scott E. Thomas
Chairman

Enclosure
GC Report

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 6, 1993

Mr. Leon Hess
1185 Avenue of the Americas
New York, NY 10036

RE: MUR 3611
Leon Hess

Dear Mr. Hess:

On September 24, 1992, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On December 22, 1992, the Commission found, on the basis of the information in the complaint and information you provided, that there is no reason to believe you violated 2 U.S.C. § 441a(a)(1)(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
GC Report

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CLOSED

January 6, 1993

Ralph de Chabert, M.D.
Sunny Isle Shopping Center, Inc.
P.O. Box 5994
Christiansted
St. Croix, VI 00823

RE: MUR 3611

Dear Dr. de Chabert:

On September 24, 1992, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On December 22, 1992, the Commission found reason to believe that the Esperanza Development Company partnership violated 2 U.S.C. § 441a(a)(1)(A). However, after considering the circumstances of this matter, the Commission also determined to take no further action regarding this issue. In addition, the Commission found, on the basis of the information in the complaint and information you provided, that there is no reason to believe that you as an individual violated 2 U.S.C. § 441a(a)(1)(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,

Scott E. Thomas
Chairman

Enclosure
GC Report

93040925592

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3611

DATE FILMED 1/8/93 CAMERA NO. 4

CAMERAMAN S.J.D.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MICROFILM ROLL #

# 92

9304092559 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

✓ Microfilm

_____ Public Rcds

_____ Press

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 3611.

1/8/93

9304093121 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CLOSED

January 7, 1993

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Victor O. Frazer
P.O. Box 5928
Veterans Drive Station
St. Thomas, Virgin Islands 00803

RE: MUR 3611

Dear Mr. Frazer:

This is in reference to the complaint you filed with the Federal Election Commission on September, 1992, concerning the Honorable Ron de Lugo, the Ron de Lugo Congressional Committee, and David Hamilton, as treasurer, Ralph de Chabert, Mario de Chabert, and Leon Hess.

Based on that complaint, on December 22, 1992, the Commission took the following action:

a) Found reason to believe that the Ron de Lugo Congressional Committee and David Hamilton, as treasurer, violated 2 U.S.C. §§ 434(b) and 441a(f), but took no further action.

b) Found no reason to believe that the Committee and its treasurer violated any other provision of the Act regarding the 1992 primary election as alleged in the complaint.

c) Found no reason to believe that Ron de Lugo violated any provision of the Act based on the allegations in the complaint.

d) Found no reason to believe that Ralph de Chabert, Mario de Chabert, or Leon Hess violated 2 U.S.C. § 441a(a)(1)(A).

e) Found reason to believe that the Esperanza Development Company partnership violated 2 U.S.C. § 441a(a)(1)(A), but took no further action.

The Commission closed the file in this matter on December 22, 1992. This matter will become part of the public record within 30 days. The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

93040931215

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

Frances B. Hagan

Frances B. Hagan
Paralegal Specialist

Enclosure
General Counsel's Report

9304093121 6