

DL 951

RUNFT & LONGSTREET, CHARTERED

JOHN L. RUNFT
IVER J. LONGSTREET
DAVID J. STECHER
TERRY E. COFFIN

ATTORNEYS & COUNSELORS AT LAW
420 WEST BANNOCK STREET
S. O. BOULEVARD
BOISE, IDAHO 83702

RECEIVED
FEDERAL ELECTION
COMMISSION

TELEPHONE 345-4321
AREA CODE 208

77 JUL 21 AM 8:21

July 18, 1977

772176

William Oldaker, Esq.
General Counsel
FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 379 (77)

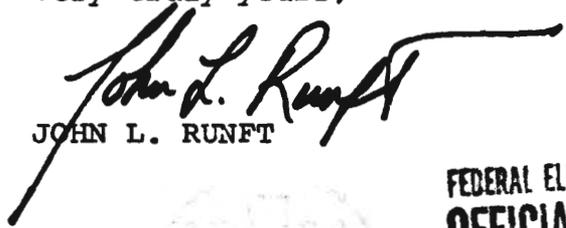
Dear Mr. Oldaker:

With reference to your letter dated 6/2/77 and my letter to you dated 6/13/77, I understand from Mr. Stein that your office has confirmed from your records the fact of the telephone conference between an FEC representative and Mr. Caldwell referred to in my letter to you. As Mr. Stein acknowledged, there is no reason to doubt that Mr. Caldwell did pose the prepared questions and received the answers from the FEC advisor as related in my letter.

Under such circumstances, it would seem clear that Mr. Hansen and his committee would not even be in technical violation of the act, since they specifically followed FEC direction in point. Yet the public has been led to believe through FEC spokesman David Fisk that Congressman Hansen was in "technical violation" of the act as a result of his report not containing reference to the alleged loans. Once again the press in Idaho has reported Mr. Hansen as being in trouble with the FEC and in "technical violation" of the law. It seems only fair that this situation should be rectified by a simple statement from the FEC that the Commission's action in MUR 379 (77) did not constitute a determination by the Commission that the congressman or his committee was in technical violation of the act.

Again, please consider this a formal request on behalf of Congressman George V. Hansen for clarification of the determination by the Commission in MUR 379 (77). If Congressman Hansen, myself, or any of his staff can do anything to facilitate your response to this request, please do not hesitate to contact me.

Very truly yours,


JOHN L. RUNFT

JLR:lr

cc: Congressman Hansen

FEDERAL ELECTION COMMISSION
OFFICIAL FILE COPY
OFFICE OF GENERAL COUNSEL

77040031665

RUNFT & LONGETEIG, CHARTERED

ATTORNEYS & COUNSELORS AT LAW
420 WEST BANNOCK STREET
P.O. BOX 953
BOISE, IDAHO 83701



FEDERAL ELECTION COMMISSION

77 JUL 21 1977 8:13

William Oldaker, Esq.
General Counsel
FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

FEDERAL ELECTION COMMISSION
OFFICIAL FILE COPY
OFFICE OF GENERAL COUNSEL

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REC-670

RUNFT & LONGTEIG, CHARTERED

JOHN L. RUNFT
EVER J. LONGTEIG
DAVID J. STECHER
TERRY L. SOFFIN

ATTORNEYS-COUNSELORS AT LAW
425 WEST BAINBOCK STREET
P. O. BOX 513
BOISE, IDAHO 83701

TELEPHONE 343-4531
AREA CODE 208

'77 JUN 16 10:10 AM
June 13, 1977

William Oldaker, Esq.
General Counsel
Federal Election Committee
1325 K Street N.W.
Washington, D.C. 20463

771825

Re: MUR 379 (77)

Dear Mr. Oldaker:

I am in receipt of your letter dated June 2nd, 1977, and thank you for same. As your letter advised, I have directed some questions to David Stein of your office concerning your notice to Congressman Hansen that a complaint has been filed against him with the FEC in the above referenced matter. It is as a result of my telephone conversations with Mr. Stein, and with his advice, that I am directing this letter to you.

Your notice of June 2nd, 1977, to Congressman Hansen in this matter notified him of the complaint received which alleged that loans made by him to his committee were not reflected in his disclosure report, in technical violation of the Act. Further, your letter to Congressman Hansen advised that "the Commission has voted to take no action with respect to this complaint...." Nowhere in your letter is it stated that Congressman Hansen's failure to reflect the alleged loans in his disclosure reports, under the circumstances, constituted a violation of the Act, technical or otherwise. In other words, from your letter it appears that the Commission did not determine that the Congressman was in violation of the Act, but, rather, it simply determined to take no action with respect to this complaint. Additionally, your letter requests that Congressman Hansen submit the waiver provided for in Regulation 101.3.

However, apparently FEC spokesman David Fiske advised the press that Congressman Hansen was in "technical violation" of the Act as a result of his report not containing reference to the alleged loans. In order to rectify this apparent conflict

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William Oldaker, Esq.
Page Two
June 13, 1977

of advice from the FEC, I am respectfully requesting written clarification from your office as to whether, in fact, the Commission determined that Congressman Hansen was in violation of the Act, whether technically or otherwise.

With respect to the possible existence of a technical violation, please let me present certain facts, which I discussed at length with Mr. Stein, which would appear to obviate any technical violation on the part of Congressman Hansen. First, with regard to the alleged loans. The items in question were not loans to the Committee in the sense that the Committee received money from the Congressman. These items were expenditures made by the Congressman for postage and the Congressman was subsequently reimbursed for them.

Secondly, there was some confusion at the time concerning the filing of the candidate report, since the FEC had advised that it could not receive Form C waivers until the regulations became effective. It was frankly assumed that the filing of a candidate report in place of the proposed waiver, pending the effective date of the regulations, was really a formality only. However, recognizing a possible problem in reporting the unreimbursed expenses of the Congressman, the Committee treasurer, Mr. Lee Caldwell, C.P.A., telephoned the FEC for clarification on this point. As the enclosed diary notes indicate, Mr. Caldwell was informed that there was no requirement to report the expenditures on the Congressman's report, since it was the Committee's intent to reimburse the Congressman therefor.

As I have previously advised the FEC, the system we have developed for handling the Committee's matters includes the maintaining of a telephone diary by Mr. Caldwell, wherein all telephone conversations with the FEC are recorded as to questions, advice, and time of the call. The enclosed sheet is a copy of the page in the telephone diary reflecting Mr. Caldwell's conversation with a woman at the FEC on the toll free line at 11:30 a.m. on June 8, 1976. As indicated

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William Oldaker, Esq.
Page Three
June 13, 1977

77040751667

by the enclosed diary sheet, Mr. Caldwell posed the question of how to handle reporting the expenditures by the Congressman for postage and their reimbursement and listed three possible methods. Likewise as indicated, Mr. Caldwell was advised that the best way to show the transaction would be not to show the expenditures as loans but, rather, to show the expenditures as a debt owed to the Congressman on Schedule C. She specifically advised Mr. Caldwell that the Committee could carry the debt and the Congressman would not need to report the expenditures on his candidate report so long as it was the intent of the Committee to reimburse the Congressman.

If desired, I could obtain and send to you an affidavit of Mr. Caldwell swearing to the foregoing facts.

Please consider this a formal request on behalf of Congressman George V. Hansen for a clarification of whether or not the Commission's action in MUR 379 (77) constituted a determination by the Commission that the Congressman was in technical violation of the Act. If you have any question or desire further information, please do not hesitate to contact me.

Very truly yours,



JOHN L. RUNFT

JLR/cd

Encl

George Hansen for Congress
Worksheet for report
6-30-76

Questions

- (1) Should a contribution from a PAC be listed on line 15 as a contribution on the report summary page or on line 18 as a transfer in from a committee?

Telephone conversation with gal at F.E.C. toll free # at 11:30 6-8-76:

Contribution from PAC should be shown as transfers on line 18.

- (2) Are postage bills pd by GH with the intent that we (the committee) will reimburse him, listed as: (a) debts outstanding to GH on form C (b) loans in from GH and pd by the committee (c) shown on a separate candidate report.

Telephone conversation with gal at FE toll free # at 11:30 6-8-76.

The best way to show this about transaction would be to use choice (a) that is to show the pmts as a debts owed to GH on schedule C. The FEC gal indicated that the intent was the controlling factor and if our (the committee) intent was to reimburse the postage cost then it is a debt owing to GH. She also indicated that a loan is only when an amount of cash is received by the committee and then we pay the bills. She said we could carry a debt and GH would not need to report the pmts on a candidate report as long as the committee intent was to pay GH back.

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RUNFT & LONGETEIG, CHARTERED

JOHN L. RUNFT
IVER J. LONGETEIG
DAVID J. STECHER
TERRY E. COFFIN

ATTORNEYS & COUNSELORS AT LAW
420 WEST BANNOCK STREET
P. O. BOX 933
BOISE, IDAHO 83701

TELEPHONE 343-6331
AREA CODE 208

June 13, 1977

1977 JUN 17 AM 10:27

771811

William Oldaker, Esq.
General Counsel
Federal Election Committee
1325 K Street N.W.
Washington, D.C. 20463

Re: MUR 379 (77)

Dear Mr. Oldaker:

I am in receipt of your letter dated June 2nd, 1977, and thank you for same. As your letter advised, I have directed some questions to David Stein of your office concerning your notice to Congressman Hansen that a complaint has been filed against him with the FEC in the above referenced matter. It is as a result of my telephone conversations with Mr. Stein, and with his advice, that I am directing this letter to you.

Your notice of June 2nd, 1977, to Congressman Hansen in this matter notified him of the complaint received which alleged that loans made by him to his committee were not reflected in his disclosure report, in technical violation of the Act. Further, your letter to Congressman Hansen advised that "the Commission has voted to take no action with respect to this complaint...." Nowhere in your letter is it stated that Congressman Hansen's failure to reflect the alleged loans in his disclosure reports, under the circumstances, constituted a violation of the Act, technical or otherwise. In other words, from your letter it appears that the Commission did not determine that the Congressman was in violation of the Act, but, rather, it simply determined to take no action with respect to this complaint. Additionally, your letter requests that Congressman Hansen submit the waiver provided for in Regulation 101.3.

However, apparently FEC spokesman David Fiske advised the press that Congressman Hansen was in "technical violation" of the Act as a result of his report not containing reference to the alleged loans. In order to rectify this apparent conflict

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William Oldaker, Esq.
Page Two
June 13, 1977

of advice from the FEC, I am respectfully requesting written clarification from your office as to whether, in fact, the Commission determined that Congressman Hansen was in violation of the Act, whether technically or otherwise.

7704003167
With respect to the possible existence of a technical violation, please let me present certain facts, which I discussed at length with Mr. Stein, which would appear to obviate any technical violation on the part of Congressman Hansen. First, with regard to the alleged loans. The items in question were not loans to the Committee in the sense that the Committee received money from the Congressman. These items were expenditures made by the Congressman for postage and the Congressman was subsequently reimbursed for them.

Secondly, there was some confusion at the time concerning the filing of the candidate report, since the FEC had advised that it could not receive Form C waivers until the regulations became effective. It was frankly assured that the filing of a candidate report in place of the proposed waiver, pending the effective date of the regulations, was really a formality only. However, recognizing a possible problem in reporting the unreimbursed expenses of the Congressman, the Committee treasurer, Mr. Lee Caldwell, C.P.A., telephoned the FEC for clarification on this point. As the enclosed diary notes indicate, Mr. Caldwell was informed that there was no requirement to report the expenditures on the Congressman's report, since it was the Committee's intent to reimburse the Congressman therefor.

As I have previously advised the FEC, the system we have developed for handling the Committee's matters includes the maintaining of a telephone diary by Mr. Caldwell, wherein all telephone conversations with the FEC are recorded as to questions, advice, and time of the call. The enclosed sheet is a copy of the page in the telephone diary reflecting Mr. Caldwell's conversation with a woman at the FEC on the toll free line at 11:30 a.m. on June 18, 1976. As indicated

William Oldaker, Esq.
Page Three
June 13, 1977

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If desired, I could obtain and send to you an affidavit of Mr. Caldwell swearing to the foregoing facts.

Please consider this a formal request on behalf of Congressman George V. Hansen for a clarification of whether or not the Commission's action in HCR 379 (77) constituted a determination by the Commission that the Congressman was in technical violation of the Act. If you have any question or desire further information, please do not hesitate to contact me.

Very truly yours,

JOHN L. RUNFT

PLR/cd

Encl

77040011671

George W. ... for Congress
Newspaper for report
6-30-76

Questions

- (1) Should a contribution from a PAC be listed on line 15 as a contribution on the report summary page or on line 18 as a transfer in from a committee?

Telephoned conversation with a gal at
FEC toll free # at 11:30 6-8-76:

Contributions from PAC's should be shown as transfers on line 18.

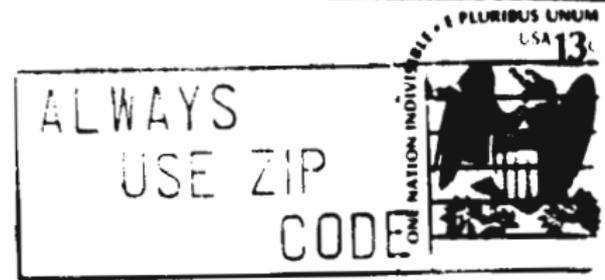
- (2) Are postage bills paid by GH with the intent that we (the committee) will reimburse him, listed as: (a) debts outstanding to GH on form C (b) loans in from GH and paid by the committee (c) shown on a separate candidate report.

Telephoned conversation with gal at FE
toll free # at 11:30 6-8-76.

The best way to show the above transaction would be to use Schedule C (a) that is to show the form of a debt owed to GH on schedule C. The FEC gal indicates that the intent was the contributing action and if we (the committee) intend to reimburse the postage cost then it is a debt owing to GH. She also indicates that a loan is only when an amount of cash is received by the committee and then we pay the bills. She said we could carry a debt and GH would not see it report the part on a candidate report as long as the committee intent was to pay GH back.

770400666

John L. Runft, Esq.
PO Box 953
Boise, Idaho 83701



Immediate Attention:
Mr. David Stein

William Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

6/2/77

Mr. Grenville E. Day
1741 E. Terry
Pocatello, Idaho 83201

Re: MUR 379 (77)

Dear Mr. Day:

This is to acknowledge receipt of your complaint against Congressman Hansen. We have numbered it as MUR 379 (77).

A review of Commission records pertaining to the allegations contained in your letter does indicate that Congressman Hansen has failed to report the loans made to his committee during 1974 and 1976, but that his committee has accurately disclosed these transactions in full compliance with the Federal Election Campaign Act of 1971, as amended. Accordingly, the Commission does not intend to take any further action with respect to this matter.

If further information comes to your attention which you believe establishes a claim on matters within the jurisdiction of the Commission, please feel free to apprise me of them.

Sincerely yours,

/s/

William Oldaker
General Counsel

DS:amh:4/13/77

FEDERAL ELECTION COMMISSION
OFFICIAL FILE COPY
OFFICE OF GENERAL COUNSEL

7704071677

6/2/77

John Runft, Esq.
Runft and Longeteig, Chartered
420 West Bannock St.
P.O. Box 953
Boise, Idaho 33701

Re: MUR 379 (77)

Dear Mr. Runft:

Enclosed please find a copy of our letter to Congressman Hansen, notifying him of our receipt of a complaint against him, alleging a violation of the Federal Election Campaign Act of 1971, as amended.

If you have any questions, please contact David Stein, at (202/523-4175).

Sincerely yours,

/s/

William Oldaker
General Counsel

DS:amh:4/13/77

FEDERAL ELECTION COMMISSION
OFFICIAL FILE COPY
OFFICE OF GENERAL COUNSEL

770400;1671

6/2/77

Honorable George Hansen
House of Representatives
Washington, D.C. 20515

Re: MUR 379 (77)

Dear Mr. Hansen:

This letter is to notify you that the Federal Election Commission has received a complaint against you which alleges that loans made personally by you, to your principal campaign committee, during 1974 and 1976, were not reflected in your disclosure reports, in technical violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. 434(b)(4).

The Commission has voted to take no action with respect to this complaint, since these loans were accurately reported by the Hansen for Congress Committee. However, please be advised that in order to waive the personal filing requirements under the Act, you must submit to the Commission a completed FEC Form 2, or a letter stating that you wish to waive the personal filing requirement and that your committee will assume all reporting responsibilities, 2 U.S.C. 436(b)(1), FEC Regulation 101.3. A review of your reports on file with the Commission indicates that no such waiver has ever been executed. Accordingly, we are requesting that you submit said waiver within fifteen days of receipt of this letter.

If you have any questions please contact the attorney handling this matter. David Stein, at (202/523-4175).

Sincerely yours,

cc: John Runft, Esq.
Runft and Longeteig,
Chartered
420 West Bannock St.
P.O. Box 953
Boise, Idaho 83701

/s/

William Oldaker
General Counsel

DS:amh:4/13/77

FEDERAL ELECTION COMMISSION
OFFICIAL FILE COPY
OFFICE OF GENERAL COUNSEL

770400677



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Apr 11 27, 1977

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
SUBJECT: MUR 379 (77) and MUR 385 (77)

The above-mentioned documents were transmitted to the Commissioners on April 26, 1977 at 4:15 p.m.

As of 4:15 p.m., April 27, 1977, no objections have been received regarding the staff recommendations in MUR 379 (77) and MUR 385 (77).

770410680



FEDERAL ELECTION COMMISSION
OFFICIAL FILE COPY
OFFICE OF GENERAL COUNSEL

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter)
)
George V. Hansen)

MUR 379 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on April 27, 1977, the Commission adopted the recommendation of the General Counsel that it finds no reason to believe that a violation of the Federal Election Campaign Act, as amended, had been committed in the above-captioned matter.

Accordingly, the file in this case has been closed.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

77040031681

FEDERAL ELECTION COMMISSION
OFFICIAL FILE COPY
OFFICE OF GENERAL COUNSEL

DATE AND TIME OF TRANSMITTAL:

April 26, 1977
4:30pm

NO. MUR 379 (77)

REC'D: _____

FEDERAL ELECTION COMMISSION
Washington, D. C.

Complainant's Name: Grenville Day

Respondent's Name: George V. Hansen

Relevant Statute: 2 U.S.C. §434(a)

Internal Reports Checked: Candidate and Committee disclosure records

Federal Agencies Checked: None

SUMMARY OF ALLEGATION:

This complaint alleges two separate violations: (a) that two loans totalling \$10,250, made to the George Hansen for Congress Committee by George Hansen, during June, 1976, were not reported by Mr. Hansen (b) that two loans totalling \$20,473.53 made to the Hansen Committee by George Hansen, during 1974, were similarly misreported.

PRELIMINARY LEGAL ANALYSIS

Independent review of the Hansen filings indicate that both loans were accurately reported by the Hansen Committee, but were omitted from the candidate's filings. This raises a technical violation of §434(b)(4) in that the candidate must report, these loans independently of his Committee, in the absence of filing an FEC Form 2, or letter indicating a waiver of the personal filing requirement pursuant to §436(b)(1) and FEC Regulation 101.3

RECOMMENDATION

Find no reason to believe; send attached notifications.

FEDERAL ELECTION COMMISSION
OFFICIAL FILE COPY
OFFICE OF GENERAL COUNSEL



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Honorable George Hansen
House of Representatives
Washington, D.C. 20515

Re: MUR 379 (77)

Dear Mr. Hansen:

This letter is to notify you that the Federal Election Commission has received a complaint against you which alleges that loans made personally by you, to your principal campaign committee, during 1974 and 1976, were not reflected in your disclosure reports, in technical violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. 434(b)(4).

The Commission has voted to take no action with respect to this complaint, since these loans were accurately reported by the Hansen for Congress Committee. However, please be advised that in order to waive the personal filing requirements under the Act, you must submit to the Commission a completed FEC Form 2, or a letter stating that you wish to waive the personal filing requirement and that your committee will assume all reporting responsibilities, 2 U.S.C. 436(b)(1), FEC Regulation 101.3. A review of your reports on file with the Commission indicates that no such waiver has ever been executed. Accordingly, we are requesting that you submit said waiver within fifteen days of receipt of this letter.

If you have any questions please contact the attorney handling this matter, David Stein, at (202/523-4175).

Sincerely yours,

cc: John Runft, Esq.
Runft and Longeteig,
Chartered
420 West Bannock St.
P.O. Box 953
Boise, Idaho 83701

William Oldaker
General Counsel



FEDERAL ELECTION COMMISSION
OFFICIAL FILE COPY
OFFICE OF GENERAL COUNSEL

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

John Runft, Esq.
Runft and Longeteig, Chartered
420 West Bannock St.
P.O. Box 953
Boise, Idaho 83701

Re: MUR 379 (77)

Dear Mr. Runft:

Enclosed please find a copy of our letter to Congressman Hansen, notifying him of our receipt of a complaint against him, alleging a violation of the Federal Election Campaign Act of 1971, as amended.

If you have any questions, please contact David Stein, at (202/523-4175).

Sincerely yours,

William Oldaker
General Counsel



FEDERAL ELECTION COMMISSION
OFFICIAL FILE COPY
OFFICE OF GENERAL COUNSEL

77041051681



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Mr. Grenville E. Day
1741 E. Terry
Pocatello, Idaho 83201

Re: MUR 379 (77)

Dear Mr. Day:

This is to acknowledge receipt of your complaint against Congressman Hansen. We have numbered it as MUR 379 (77).

A review of Commission records pertaining to the allegations contained in your letter does indicate that Congressman Hansen has failed to report the loans made to his committee during 1974 and 1976, but that his committee has accurately disclosed these transactions in full compliance with the Federal Election Campaign Act of 1971, as amended. Accordingly, the Commission does not intend to take any further action with respect to this matter.

If further information comes to your attention which you believe establishes a claim on matters within the jurisdiction of the Commission, please feel free to apprise me of them.

Sincerely yours,

William Oldaker
General Counsel



FEDERAL ELECTION COMMISSION
OFFICIAL FILE COPY
OFFICE OF GENERAL COUNSEL

7704001085

CC # 1416
MVR 379

77 MAR 17 10:45
Pocatello, Idaho 83201
March 14, 1977

Federal Election Commission
FEC Office of the General Counsel
1325 K Street NW
Washington, D.C. 20463

770877

Re: Possible FEC Law Violation
By Congressman George Hansen;
Request for inquiry into

Gentlemen:

This letter is to request that the Federal Election Commission investigate the following matters with respect to the campaign reports of the George Hansen for Congress Committee:

ITEM I:

The July 10, 1976 Primary Report (dated July 8, 1976) indicates on FEC Form 3, item 4, that George Hansen made two loans to his committee totaling \$10,250 for postage he purchased as follows:

(a) 6-8-76 \$6,250
(b) 6-12-76 4,000

The above entries would appear to be a violation of the reporting requirements of Title 2, Section 434, USCA, as being a failure to report the actual nature of the expenditure and the actual amount and date of a loan for the following reasons:

- (1) The same July 10th report shows expenditures by the Committee itself for postage and other mailing related expenditures of \$26,149.16, which items I itemize on Appendix "A" attached hereto.
- (2) It is difficult to perceive how a congressman whose gross income before taxes is \$3,875 per month could, in a five-day period, actually go to the post office and purchase \$10,250 worth of stamps unless he borrowed the money somewhere, in which event the source of the loan should be declared.
- (3) In view of the pending request for Mr. Hansen to raise funds to pay off various personal debts, it is doubtful he would have that sum in a savings account and, in any event, he should be required to show actual cancelled checks or post office receipts to verify that the expenditures for stamps was, in fact, made.

FEDERAL ELECTION COMMISSION
OFFICIAL FILE COPY
OFFICE OF GENERAL COUNSEL

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- (4) The \$10,250 at an average bulk rate of 7.5¢ would indicate a mailing during that period of 136,667 pieces of mail in addition to what his committee mailed and what he may have mailed under his Congressional franking privilege -- this appears patently improbable on its face.

ITEM II:

I believe there is another possible violation of Title 2, Section 434, USCA, in failure to make actual disclosure as to a loan transaction between the candidate and his committee.

The report filed on April 8, 1976 constituting a possible close-out report of November 5, 1974 general election, shows the following payments to George Hansen as reimbursement for 1972 and 1974 campaign expenses as follows, on Schedule B, page 1:

2-7-76	\$9,431.98
2-12-76	7,000.00
2-13-76	5,000.00
2-23-76	4,704.86

Tracking back through the 1974 and 1972 filings, there appears to be various loans to the committee by Mr. Hansen in large lump sum figures such as the figure of \$10,551.23 on the June 10, 1974 report, and \$9,922.30 on an earlier report.

Those purported loans were never properly itemized.

Although it might be argued that the three-year statute of limitations has run, it would seem that the proper interpretation would be that the statute does not begin to run at the time the candidate claims he loaned the committee the money, but, rather, at the time campaign monies were actually used to repay the loan, which repayments were made in February 1976.

The bona fides of the loan as an actual loan, as opposed to some type of business expense, could probably be readily ascertained by requiring:

- (a) Actual receipts or checks provided the committee at the time the loans were made; and
- (b) Cross-checking with tax returns to see whether the items were carried as a loan or expensed off as expense deductions.

Federal Election Commission
March 14, 1977
Page 3

I HEREBY CERTIFY that the above information appears on the various campaign funding reports of Congressman Hansen, and is true and correct to the best of my knowledge.

Grenville E. Day

GRENVILLE E. DAY
1741 E. Terry
Pocatello, Idaho 83201
Telephone: 233-9104

STATE OF IDAHO)
 : ss,
County of Bannock)

On this 14th day of March, 1977, before me, the undersigned Notary Public in and for said county and state, personally appeared GRENVILLE E. DAY, known to me to be the person whose name is affixed to the foregoing document, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Mary-Lynne Yowell

NOTARY PUBLIC FOR IDAHO
Residing at Pocatello, Idaho

(SEAL)

FEDERAL ELECTION COMMISSION
OFFICIAL FILE COPY
OFFICE OF GENERAL COUNSEL

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APPENDIX "A"

ITEMIZED EXPENDITURES

Harris Advertising	5/19/76	\$ 591.12	
	6/7/76	4,400.00	
	6/23/76	3,691.08	
	6/28/76	1,956.00	
	7/19/76	4,135.96	
	7/27/76	325.48	
	7/27/76	2,500.00	
	8/20/76	<u>1,387.31</u>	\$18,986.95
Postmaster	4/8/76	600.00	
	4/27/76	26.00	
	5/21/76	910.00	
	7/27/76	<u>234.00</u>	1,770.00
Metro Mailing & Printing	6/28/76	3,656.71	3,656.71
Virginia Envelope Co.	6/28/76	1,793.62	1,793.62
Richard Viguerie Co.	6/28/76	7,017.56	7,017.56
Martin Advertising Agency	6/28/76	2,924.32	2,924.32

770407168

FEDERAL ELECTION COMMISSION
OFFICIAL FILE COPY
 OFFICE OF GENERAL COUNSEL



Vernon W. Thompson, Chairman
Federal Election Commission
FEC Office of the General Counsel
1325 K Street NW
Washington, D.C. 20463

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CC# 1416
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SECTION
10:22

Pocatello, Idaho 83201
March 14, 1977

Federal Election Commission
FEC Office of the General Counsel
1325 K Street NW
Washington, D.C. 20463

Re: Possible FEC Law Violation
By Congressman George Hansen;
Request for inquiry into

Gentlemen:

This letter is to request that the Federal Election Commission investigate the following matters with respect to the campaign reports of the George Hansen for Congress Committee:

ITEM I:

The July 10, 1976 Primary Report (dated July 8, 1976) indicates on FEC Form 3, item 4, that George Hansen made two loans to his committee totaling \$10,250 for postage he purchased as follows:

- (a) 6-8-76 \$6,250
- (b) 6-12-76 4,000

The above entries would appear to be a violation of the reporting requirements of Title 2, Section 434, USCA, as being a failure to report the actual nature of the expenditure and the actual amount and date of a loan for the following reasons:

- (1) The same July 10th report shows expenditures by the Committee itself for postage and other mailing related expenditures of \$26,149.16, which items I itemize on Appendix "A" attached hereto.
- (2) It is difficult to perceive how a congressman whose gross income before taxes is \$3,875 per month could, in a five-day period, actually go to the post office and purchase \$10,250 worth of stamps unless he borrowed the money somewhere, in which event the source of the loan should be declared.
- (3) In view of the pending request for Mr. Hansen to raise funds to pay off various personal debts, it is doubtful he would have that sum in a savings account and, in any event, he should be required to show actual cancelled checks or post office receipts to verify that the expenditures for stamps was, in fact, made.

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- (4) The \$10,250 at an average bulk rate of 7.5¢ would indicate a mailing during that period of 136,667 pieces of mail in addition to what his committee mailed and what he may have mailed under his Congressional franking privilege -- this appears patently improbable on its face.

ITEM II:

I believe there is another possible violation of Title 2, Section 434, USCA, in failure to make actual disclosure as to a loan transaction between the candidate and his committee.

The report filed on April 8, 1976 constituting a possible close-out report of November 5, 1974 general election, shows the following payments to George Hansen as reimbursement for 1972 and 1974 campaign expenses as follows, on Schedule B, page 1:

2-7-76	\$9,431.98
2-12-76	7,000.00
2-13-76	5,000.00
2-23-76	4,704.86

Tracking back through the 1974 and 1972 filings, there appears to be various loans to the committee by Mr. Hansen in large lump sum figures such as the figure of \$10,551.23 on the June 10, 1974 report, and \$9,922.30 on an earlier report.

Those purported loans were never properly itemized.

Although it might be argued that the three-year statute of limitations has run, it would seem that the proper interpretation would be that the statute does not begin to run at the time the candidate claims he loaned the committee the money, but, rather, at the time campaign monies were actually used to repay the loan, which repayments were made in February 1976.

The bona fides of the loan as an actual loan, as opposed to some type of business expense, could probably be readily ascertained by requiring:

- (a) Actual receipts or checks provided the committee at the time the loans were made; and
- (b) Cross-checking with tax returns to see whether the items were carried as a loan or expensed off as expense deductions.

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I HEREBY CERTIFY that the above information appears on the various campaign funding reports of Congressman Hansen, and is true and correct to the best of my knowledge.

/s/ Grenville E. Day

GRENVILLE E. DAY
1741 E. Terry
Pocatello, Idaho 83201
Telephone: 233-9104

STATE OF IDAHO)
 : ss,
County of Bannock)

On this 14th day of March, 1977, before me, the undersigned Notary Public in and for said county and state, personally appeared GRENVILLE E. DAY, known to me to be the person whose name is affixed to the foregoing document, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

NOTARY PUBLIC FOR IDAHO
Residing at Pocatello, Idaho

(SEAL)

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APPENDIX "A"

ITEMIZED EXPENDITURES

Harris Advertising	5/19/76	\$ 591.12	
	6/7/76	4,400.00	
	6/23/76	3,691.08	
	6/28/76	1,956.00	
	7/19/76	4,135.96	
	7/27/76	325.48	
	7/27/76	2,500.00	
	8/20/76	<u>1,387.31</u>	\$18,986.95
Postmaster	4/8/76	600.00	
	4/27/76	26.00	
	5/21/76	910.00	
	7/27/76	<u>234.00</u>	1,770.00
Metro Mailing & Printing	6/28/76	3,656.71	3,656.71
Virginia Envelope Co.	6/28/76	1,793.62	1,793.62
Richard Viguerie Co.	6/28/76	7,017.56	7,017.56
Martin Advertising Agency	6/28/76	2,924.32	2,924.32

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The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- (1) Classified Information
- (2) Internal rules and practices
- (3) Exempted by other statute
- (4) Trade secrets and commercial or financial information
- (5) Internal Documents
- (6) Personal privacy
- (7) Investigatory files
- (8) Banking Information
- (9) Well Information (geographic or geophysical)

Signed *D. Stein*
date 9-21-77

FEC 9-21-77

Memo from D. Stein to GC

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