



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4019

DATE FILMED 9-8-95 CAMERA NO. 1

CAMERAMAN JMN

95043684385

MURRAY FOR CONGRESS

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

P.O. Box 284 29
Washington Crossing, PA 18994
(215) 321-3014
July 23, 1994

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

MUR 4019

Dear Sir:

I hereby call to your attention irregularities in the fund raising practices of Congressman Jim Greenwood of the Eighth Congressional District of Pennsylvania, the campaign committee Treasurer, Robert O. Baldi, Esq., and the Greenwood for Congress Committee.

The "Report of Receipts and Disbursements" filed by the Greenwood for Congress Committee for the period April 1 through June 30, 1994, lists eleven contributions from eleven employees of the firm Tel-Save. Each of these employees contributed the same amount, \$1000, in the same form, money orders, on the same date, April 29, 1994. The Chief Executive of Tel-Save is reported in the media as stating that these contributions were given to "take care of the Congressman" so "he can take care of us."

Money orders are the same as cash, and, therefore, are subject to an amount limit of \$50.00 per individual contributor. The aforementioned Tel-Save contributions exceed the limit permitted under the law and were accepted and retained in violation of that law.

Additionally, these contributions appear to have been made in the employees' names on behalf of someone else, virtually making them corporate contributions, which are also in violation of the election code.

I hereby request that the Commission investigate these contributions, the circumstances in which they were made, and fund raising practices of the Greenwood for Congress Campaign Committee.

I have enclosed media reports relative to this matter as well as a copy of the official "Report of Receipts and Disbursements" filed for the period mentioned above. Your immediate attention to this matter is appreciated.

Notary Seal
Irene Jane Braun, Notary Public
Upper Makefield Twp., Bucks County
My Commission Expires July 4, 1998
Member, Pennsylvania Association of Notaries

Sincerely,

John P. Murray
John P. Murray

Irene Jane Braun sworn before me this 25th day
of July, 1994
Murray for Congress Committee, John F. Trench, Treasurer
Irene Jane Braun - Notary

95043684386

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)
Greenwood for Congress

ADDRESS (number and street) Check if different than previously reported.
Po Box 2358

CITY, STATE and ZIP CODE
Doylestown, PA 18901 PA-8th

2. FEC IDENTIFICATION NUMBER
C00255703

3. IS THIS REPORT AN AMENDMENT?
 YES NO

4. TYPE OF REPORT

April 15 Quarterly Report Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____

July 15 Quarterly Report Thirtieth day report following the General Election on _____ in the State of _____

October 15 Quarterly Report Termination Report

January 31 Year End Report July 31 Mid-Year Report (Non-election Year Only)

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

COUNTY OF BERKS
BOARD OF ELECTIONS
9th JUL 18 AM 10:42

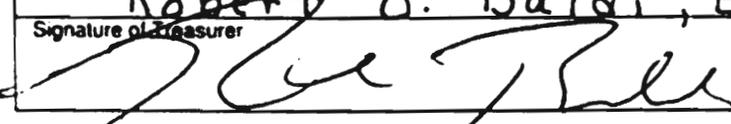
SUMMARY

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period 04-01-94 through 06-30-94		
6. Net Contributions (other than loans)		
(a) Total Contributions (other than loans) (from Line 11(e))	78,340.00	114,048.50
(b) Total Contribution Refunds (from Line 20(d))	- 0 -	- 0 -
(c) Net Contributions (other than loans) (subtract Line 6(b) from 6(a))	78,340.00	114,048.50
7. Net Operating Expenditures		
(a) Total Operating Expenditures (from Line 17)	38,125.29	55,002.00
(b) Total Offsets to Operating Expenditures (from Line 14)	- 0 -	- 0 -
(c) Net Operating Expenditures (subtract Line 7(b) from 7(a))	38,125.29	55,002.00
8. Cash on Hand at Close of Reporting Period (from Line 27)	130,604.05	
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	- 0 -	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	- 0 -	

For further information contact:
Federal Election Commission
999 E Street, NW
Washington, DC 20463
Toll Free 800-424-9530
Local 202-219-3420

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
Robert O. Baldi, Esq.

Signature of Treasurer  Date **7/14/94**

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

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

NAME OF COMMITTEE(in Full)
Greenwood for Congress C00255703

Report Covering the Period
From:04/01/94 To:06/30/94

I. RECEIPTS

	This Period	Year-To-Date
11. CONTRIBUTIONS(other than loans) FROM:		
(a) Individuals/Persons Other Than Political Committees.		
(i) Itemized.....	\$ 53230.00	
(ii) UnItemized.....	\$ 18610.00	
(iii) Total of contributions from individual..	\$ 71840.00	\$ 107048.50
(b) Political Party Committees.....	\$ 0.00	\$ 0.00
(c) Other Political Committees(such as PACs).....	\$ 6500.00	\$ 7000.00
(d) The Candidate.....	\$ 0.00	\$ 0.00
(e) TOTAL CONTRIBUTIONS.....	\$ 78340.00	\$ 114048.50
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES.....	\$ 0.00	\$ 0.00
13. LOANS.		
(a) Made or Guaranteed by the Candidate.....	\$ 0.00	\$ 0.00
(b) All Other Loans.....	\$ 0.00	\$ 0.00
(c) TOTAL LOANS.....	\$ 0.00	\$ 0.00
14. OFFSETS TO OPERATING EXPENDITURES.....	\$ 0.00	\$ 0.00
15. OTHER RECEIPTS.....	\$ 0.00	\$ 0.00
16. TOTAL RECEIPTS.....	\$ 78340.00	\$ 114048.50

II. DISBURSEMENTS

	This Period	Year-To-Date
17. OPERATING EXPENDITURES.....	\$ 38125.29	\$ 55002.00
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES.....	\$ 0.00	\$ 0.00
19. LOAN REPAYMENTS		
(a) Of Loans Made/Guaranteed by the Candidate....	\$ 0.00	\$ 0.00
(b) Of All Other Loans.....	\$ 0.00	\$ 0.00
(c) TOTAL LOAN REPAYMENTS.....	\$ 0.00	\$ 0.00
20. REFUNDS OF CONTRIBUTIONS		
(a) Individuals/Persons Not Political Committees..	\$ 0.00	\$ 0.00
(b) Political Party Committees.....	\$ 0.00	\$ 0.00
(c) Other Political Committees(such as PACs).....	\$ 0.00	\$ 0.00
(d) TOTAL CONTRIBUTION REFUNDS.....	\$ 0.00	\$ 0.00
21. OTHER DISBURSEMENTS.....	\$ 0.00	\$ 0.00
22. TOTAL DISBURSEMENTS.....	\$ 38125.29	\$ 55002.00

III. CASH SUMMARY

23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD.....	\$ 90389.34
24. TOTAL RECEIPTS THIS PERIOD.....	\$ 78340.00
25. SUBTOTAL.....	\$ 168729.34
26. TOTAL DISBURSEMENTS THIS PERIOD.....	\$ 38125.29
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD.....	\$ 130604.05

SCHEDULE A
 CONTRIBUTIONS FROM INDIVIDUALS/PERSONS

NAME OF COMMITTEE (in Full)
 Greenwood for Congress C00255703

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

Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
Robert O. Baldi 270 Iron Hill Road Doylestown, PA 18901-	Baldi & Cepparulo & Willi Attorney	06/20/94	\$250.00

Receipt for General Aggregate YTD > \$250.00

Herbert Barness 975 Easton Road Warrington, PA 18976-	Barness Organization Land Developer/Real Estat	04/18/94	\$1000.00
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Receipt for General Aggregate YTD > \$1000.00

Betty Barr P.O. Box 396 Point Pleasant, PA 18950-	Osco Motors Corp Executive	05/04/94	\$250.00
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Receipt for Primary Aggregate YTD > \$250.00

Mary Barr 969 Taylorville Road Washington Crossing, PA 18977	CJ Barr & Assoc. Insurance	05/10/94	\$1000.00
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Receipt for Primary Aggregate YTD > \$1000.00

Raymond Battistini 723 Washington Place Downingtown, PA 19087-	Mal Sova Collection Officer	05/10/94	\$1000.00
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Receipt for Primary Aggregate YTD > \$1000.00

Constance Beck 13 High Road New Hope, PA 18938-	Homemaker	05/10/94	\$1000.00
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Receipt for Primary Aggregate YTD > \$1000.00

Harold Beck 13 High Road New Hope, PA 18938-	Harold Beck & Sons, Inc. President	05/10/94	\$1000.00
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Receipt for Primary Aggregate YTD > \$1000.00

SUBTOTAL of Receipts This Page.....> \$5500.00

TOTAL This Period.....>

SCHEDULE A
Itemized Receipts
Contributions from Individuals/Persons

NAME OF COMMITTEE (in Full)
 Greenwood for Congress C00255703

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Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
Newton Beck 3630 Route 202 Doylestown, PA 18901-	Owner Realtor Newton Beck Real Estate	04/18/94	\$100.00
Receipt for [X] Primary		Aggregate YTD >	\$100.00
Newton Beck 3630 Route 202 Doylestown, PA 18901-	Owner Realtor Newton Beck Real Estate	06/06/94	\$100.00
Receipt for [X] General		Aggregate YTD >	\$200.00
Martin Beeman 97 Quaker Drive Newtown, PA 18940-	Somebody Small Co., Inc. Owner	06/28/94	\$1000.00
Receipt for [X] General		Aggregate YTD >	\$1000.00
Kathleen Belsky 1220 East Cushmore Road Southampton, PA 18966-	Bell of Pa. Vice President	06/08/94	\$250.00
Receipt for [X] General		Aggregate YTD >	\$250.00
Barry Bennett 1482 River Road New Hope, PA 18938-	Micro Control, Inc. CEO	06/21/94	\$1000.00
Receipt for [X] General		Aggregate YTD >	\$1000.00
Allen D. Black 42 River Road Box 313 Point Pleasant, PA 18950-	Fine, Kaplan and Black Lawyer	06/17/94	\$1000.00
Receipt for [X] General		Aggregate YTD >	\$1000.00
Frank C. Boas 23 Old Windy Bush Road New Hope, PA 18938-	Retired	06/06/94	\$200.00
Receipt for [X] General		Aggregate YTD >	\$200.00
SUBTOTAL of Receipts This Page.....>			\$3650.00
TOTAL This Period.....>			

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SCHEDULE A
 CONTRIBUTIONS FROM INDIVIDUALS/PERSONS

NAME OF COMMITTEE (in Full)
 Greenwood for Congress C00255703

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Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
Daniel Borislow 10 Riverstone Circle 22 Village Square New Hope, PA 18938-	Tel-Save President	04/29/94	\$1000.00
Receipt for [X]Primary		Aggregate YTD >	\$1000.00
William Brenner 1094 Second Street Pike Richboro, PA 18954-	Brenner Realty Owner	06/03/94	\$100.00
Receipt for [X]General		Aggregate YTD >	\$200.00
William Bristol 465 Pineville Road Newtown, PA 18940-	Retired	05/20/94	\$1000.00
Receipt for [X]General		Aggregate YTD >	\$1000.00
Harold Bush R.D. 1, 6424 Sawmill Road New Hope, PA 18938-	Bush Associates Owner	06/08/94	\$250.00
Receipt for [X]General		Aggregate YTD >	\$525.00
Joseph Busik River Road Lumberville, PA 18933-	Delaware Quarries, Inc. Executive	04/20/94	\$100.00
Receipt for [X]Primary		Aggregate YTD >	\$375.00
Robert Byers P.O. Box 158 Chalfont, PA 18914-	Byers Choice Ltd President	05/10/94	\$1000.00
Receipt for [X]Primary		Aggregate YTD >	\$1000.00
Gene Chaiken 1141 Springmount Circle Bryn Mawr, PA 19010-	Almo Corporation President	06/15/94	\$500.00
Receipt for [X]General		Aggregate YTD >	\$500.00
SUBTOTAL of Receipts This Page.....>			\$3950.00
TOTAL This Period.....>			

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SCHEDULE A **ITEMIZED RECEIPTS**
 Contributions from Individuals/Persons

NAME OF COMMITTEE (in Full)
 Greenwood for Congress C00255703

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Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
Christopher B. Chandor P.O. box 188 Pineville, PA 18946-	Self Attorney	06/21/94	\$500.00

Receipt for [X]General Aggregate YTD > \$500.00

Robert Childs 31 Militia Hill Road Warrington, PA 18976-	Childs Instant Homes, Inc Vice President	06/28/94	\$500.00
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Receipt for [X]General Aggregate YTD > \$500.00

Neil Cohen 772 Worthington Mill Road Newtown, PA 18940-	Self Doctor	06/20/94	\$200.00
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Receipt for [X]General Aggregate YTD > \$200.00

Mary Jayne Comey 465 Pineville Road Newtown, PA 18940-	Homemaker	06/17/94	\$1000.00
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Receipt for [X]General Aggregate YTD > \$1000.00

Emanuel DeMaio 73 Buckland Drive Neshanic Station, NJ 08853-	Tel-Save Operations Manager	04/29/94	\$1000.00
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Receipt for [X]Primary Aggregate YTD > \$1000.00

Bruce King Doman R.D. 1 Box 405B Rock Ridge Road Upper Black Eddy, PA 18972-	Self Attorney	06/20/94	\$500.00
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Receipt for [X]General Aggregate YTD > \$500.00

Edward Donnelly 191 Anselm Road Richboro, PA 18954-	No Recorded Employer No Recorded Occupation	06/08/94	\$200.00
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Receipt for [X]General Aggregate YTD > \$200.00

SUBTOTAL of Receipts This Page.....> \$3900.00

TOTAL This Period.....>

SCHEDULE A
 ITEMIZED RECEIPTS
 Contributions from Individuals/Persons

NAME OF COMMITTEE (in Full)
 Greenwood for Congress C00255703

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Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
Marlene Epstein 1238 Wrightstown Road Newtown, PA 18940-	No Recorded Employer No Recorded Occupation Office Manager Gene Epstein Property Aggregate YTD > ^{Mgmt} \$200.00	05/04/94	\$200.00
Receipt for [X]Primary			
Ruth Pawley 216 Larch Circle Doylestown, PA 18901-	Homemaker	04/25/94	\$500.00
Receipt for [X]Primary Aggregate YTD > \$500.00			
Elizabeth B. Felker PO Box 86, Gallows Hill Rd. Durham, PA 18039-	Fairmount Capitol Adviror financial consultant	06/17/94	\$1000.00
Receipt for [X]General Aggregate YTD > \$1000.00			
Leonard Franckowiak 1225 Lindenhurst Road Yardley, PA 19067-	Congoleum Corp. Senior V.P	04/20/94	\$300.00
Receipt for [X]Primary Aggregate YTD > \$300.00			
F. Alexander Frank Box 104 Lumberville, PA 18933-	No Recorded Employer No Recorded Occupation	06/06/94	\$250.00
Receipt for [X]General Aggregate YTD > \$250.00			
Richard F. Gerhart 356 Meadow Wood Lane Souderton, PA 18964-	Delbar Products Inc CEO	05/04/94	\$300.00
Receipt for [X]Primary Aggregate YTD > \$300.00			
Racey Gilbert 3448 Progress Drive Suite D Bensalem, PA 19020-	Gilbert Office, Ltd. Owner	05/18/94	\$500.00
Receipt for [X]General Aggregate YTD > \$500.00			
SUBTOTAL of Receipts This Page.....>			\$3050.00
TOTAL This Period.....>			

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 8436
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SCHEDULE A **ITEMIZED RECEIPTS**
Contributions from Individuals/Persons

NAME OF COMMITTEE (in Full)
 Greenwood for Congress C00255703

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Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
Hillary Glenn PO Box 523 Bryn Athyn, PA 19009-	No Recorded Employer No Recorded Occupation Homemaker	05/10/94	\$300.00
Receipt for <input checked="" type="checkbox"/> Primary		Aggregate YTD >	\$300.00
Pennock Graham Oatouche Farm 4805 Lehnemberg Road Kintnersville, PA 18930-	First Buckingham Corp Investment Banker	06/17/94	\$500.00
Receipt for <input checked="" type="checkbox"/> General		Aggregate YTD >	\$500.00
Alice Greenwood 25 Twist Drive Holland, PA 18966-	Retired	04/18/94	\$40.00
Receipt for <input checked="" type="checkbox"/> Primary		Aggregate YTD >	\$315.00
Gary Greenwood 104 E. Windrose Drive Richboro, PA 18954-	Greenwood's Ltd. Owner	05/04/94	\$200.00
Receipt for <input checked="" type="checkbox"/> Primary		Aggregate YTD >	\$200.00
Darlene Greller 6004 Pidcock Creek Road New Hope, PA 18938-	No Recorded Employer No Recorded Occupation Homemaker	05/20/94	\$250.00
Receipt for <input checked="" type="checkbox"/> General		Aggregate YTD >	\$250.00
Charles Grezlak 22 John Dyer Way Doylestown, PA 18901-	Merck & Co. Inc. Director, Government Affa	06/15/94	\$250.00
Receipt for <input checked="" type="checkbox"/> General		Aggregate YTD >	\$725.00
Jean Marie Griffith 66 Watercrest Drive Doylestown, PA 18901-	Homemaker	06/17/94	\$200.00
Receipt for <input checked="" type="checkbox"/> General		Aggregate YTD >	\$200.00
SUBTOTAL of Receipts This Page.....>			\$1740.00
TOTAL This Period.....>			

SCHEDULE A **ITEMIZED RECEIPTS**
Contributions from Individuals/Persons

NAME OF COMMITTEE (in Full)
 Greenwood for Congress C00255703

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Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
Robert G. Griffith 66 Watercrest Drive Doylestown, PA 18901-	Woods Schools President	04/18/94	\$500.00

Receipt for [X]Primary Aggregate YTD > \$800.00

David Gross 1509A Marcy Place Philadelphia, PA 19115-	Tel-Sava Provisioning Manager	04/29/94	\$1000.00
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Receipt for [X]Primary Aggregate YTD > \$1000.00

John C. Haas 330 N. Spring Mill Road Villanova, PA 19085-	Retired	06/28/94	\$500.00
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Receipt for [X]General Aggregate YTD > \$1000.00

Martha Halverson P.O. Box 200 Park Avenue Wycombe, PA 18980-	Homemaker	04/05/94	\$300.00
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Receipt for [X]Primary Aggregate YTD > \$600.00

Martha Halverson P.O. Box 200 Park Avenue Wycombe, PA 18980-	Homemaker	05/04/94	\$200.00
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Receipt for [X]Primary Aggregate YTD > \$800.00

Mark Hankin P.O. Box 26767 Elkins Park, PA 19117-	Hankin Management Corp. Builder/Developer	06/01/94	\$1000.00
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Receipt for [X]General Aggregate YTD > \$1000.00

Nancy Harris 726 Linton Hill Road Newtown, PA 18940-	Harris Mfg Co Self-employed	04/25/94	\$200.00
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Receipt for [X]Primary Aggregate YTD > \$200.00

SUBTOTAL of Receipts This Page.....> \$3700.00

TOTAL This Period.....>

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SCHEDULE A
Contributions from Individuals/Persons

NAME OF COMMITTEE (in Full)
 Greenwood for Congress C00255703

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Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
Nancy Harris 726 Linton Hill Road Newtown, PA 18940-	Harris Mfg Co Self-employed	06/20/94	\$500.00
Receipt for [X]General		Aggregate YTD >	\$700.00
Stephen Harris 1760 Bristol Road, Box 160 Warrington, PA 18976-	Harris & Harris Attorney	04/22/94	\$100.00
Receipt for [X]Primary		Aggregate YTD >	\$100.00
Stephen Harris 1760 Bristol Road, Box 160 Warrington, PA 18976-	Harris & Harris Attorney	06/08/94	\$500.00
Receipt for [X]General		Aggregate YTD >	\$600.00
Dennis Holland 25 Bridle Wood Drive New Hope, PA 18938-	Betz Laboratories Pres., Water Management G	06/09/94	\$500.00
Receipt for [X]General		Aggregate YTD >	\$500.00
Edward Howard 483 Pebble Hill Road Doylestown, PA 18901-	CEO Workers Comp Manageme	06/01/94	\$500.00
Receipt for [X]General		Aggregate YTD >	\$775.00
Jason Januzelli 122 West First Avenue Conshohocken, PA 19428-	Tel-Save Customer Service Rep.	04/29/94	\$1000.00
Receipt for [X]Primary		Aggregate YTD >	\$1000.00
Mazie D. Kallapos 933 Taylorsville Road Washington Crossing, PA 18977	State of New Jersey-DCA Claims Person	05/06/94	\$200.00
Receipt for [X]Primary		Aggregate YTD >	\$200.00
SUBTOTAL of Receipts This Page.....>			\$3300.00
TOTAL This Period.....>			

SCHEDULE A **ITEMIZED RECEIPTS**
Contributions from Individuals/Persons

NAME OF COMMITTEE (in Full)
 Greenwood for Congress C00255703

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

Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
James Logan 32 West Depot Hellertown, PA 18055-	Tel-Save Compliance Manager	04/29/94	\$1000.00
Receipt for [X]Primary		Aggregate YTD >	\$1000.00
Walter Lomax Box 24 Hilltown, PA 18927-	Lomax Health Services Physician	06/28/94	\$500.00
Receipt for [X]General		Aggregate YTD >	\$500.00
Duane Love 1494 Clinton Drive Yardley, PA 19067-	D. E. Love Associates President	05/13/94	\$50.00
Receipt for [X]General		Aggregate YTD >	\$50.00
Duane Love 1494 Clinton Drive Yardley, PA 19067-	D. E. Love Associates President	06/13/94	\$250.00
Receipt for [X]General		Aggregate YTD >	\$300.00
Rita Lowe 2820 River Road New Hope, PA 18938-	No Recorded Employer No Recorded Occupation <i>Retired</i>	06/15/94	\$250.00
Receipt for [X]General		Aggregate YTD >	\$250.00
Greg Luff 1006 Hemlock Lane Huntingdon Valley, PA 19006-	Tel-Save Operations Manager	04/29/94	\$1000.00
Receipt for [X]Primary		Aggregate YTD >	\$1000.00
Thomas MacCabe 426 Stump Road PO Box 590 Montgomeryville, PA 18936-	McCabe Electric CEO	06/03/94	\$200.00
Receipt for [X]General		Aggregate YTD >	\$200.00
SUBTOTAL of Receipts This Page.....>			\$3250.00
TOTAL This Period.....>			

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SCHEDULE A ITEMIZED RECEIPTS
 Contributions from Individuals/Persons

NAME OF COMMITTEE (in Full)
 Greenwood for Congress C00255703

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

Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
Jacob Malta 223 N. Shady Retreat Road New Britain, PA 18901-	Malmark, Inc. Executive	04/16/94	\$500.00

Receipt for Primary Aggregate YTD > \$500.00

Christine McCaffrey RD # 2, 113 Pondview Drive Washington Crossing, PA 18977	Knights Deli, Inc. President	04/25/94	\$100.00
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Receipt for Primary Aggregate YTD > \$100.00

Christine McCaffrey RD # 2, 113 Pondview Drive Washington Crossing, PA 18977	Knights Deli, Inc. President	05/16/94	\$1000.00
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Receipt for General Aggregate YTD > \$1100.00

Carol McCaughan 63 Woodcrest Lane Doylestown, PA 18901-	Homemaker	05/10/94	\$1000.00
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Receipt for Primary Aggregate YTD > \$1000.00

Gary McCulla 340 Pleasant Run Road Branchburg, NJ 08876-	Tel-Save Vice President of Marketi	04/29/94	\$1000.00
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Receipt for Primary Aggregate YTD > \$1000.00

Henry Miller 2 Edgemere Drive Yardley, PA 19067-	Sarnoff Research Corp. Marketing Manager	06/08/94	\$500.00
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Receipt for General Aggregate YTD > \$500.00

Bob Moore 197 Golf Club Drive Langhorne, PA 19047-	Betz Laboratories Vice President	06/17/94	\$500.00
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Receipt for General Aggregate YTD > \$500.00

SUBTOTAL of Receipts This Page.....> \$4600.00

TOTAL This Period.....>

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SCHEDULE A **ITEMIZED RECEIPTS**
Contributions from Individuals/Persons

NAME OF COMMITTEE (in Full)
 Greenwood for Congress C00255703

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

Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
Pete Morrison 406 Franklin Street Lansdale, PA 19446-	Tel-Save MIS Director	04/29/94	\$1000.00

Receipt for [X]Primary Aggregate YTD > \$1000.00

Bonnie J. O'Boyle 325 Radcliffe Street Bristol, PA 19007-	No Recorded Employer No Recorded Occupation Self Writer	05/04/94	\$500.00
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Receipt for [X]Primary Aggregate YTD > \$600.00

Donald Parlee 75 Foxcroft Drive Doylestown, PA 18901-	Self Physician	05/10/94	\$1000.00
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Receipt for [X]Primary Aggregate YTD > \$1000.00

J. Patrick Prader 3230 Mill Road Collegeville, PA 19426-	Betz Entec President	06/09/94	\$500.00
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Receipt for [X]General Aggregate YTD > \$500.00

Larry Rankin 5333 Ash Road Box 105 Holicong, PA 18928-	Betz Laboratories Manager	06/08/94	\$500.00
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Receipt for [X]General Aggregate YTD > \$500.00

Larry Rankin 5333 Ash Road Box 105 Holicong, PA 18928-	Betz Laboratories Manager	06/17/94	\$500.00
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Receipt for [X]General Aggregate YTD > \$1000.00

James Ricciuti 3735 Concord Road Doylestown, PA 18901-	No Recorded Employer No Recorded Occupation	06/17/94	\$250.00
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Receipt for [X]General Aggregate YTD > \$250.00

SUBTOTAL of Receipts This Page.....> \$4250.00

TOTAL This Period.....>

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SCHEDULE A **ITEMIZED RECEIPTS**
Contributions from Individuals/Persons

NAME OF COMMITTEE (in Full)
 Greenwood for Congress C00255703

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Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
Robert Rodenbaugh 3760 Concord Road Doylestown, PA 18901-	Handley Group, Inc. CEO	04/18/94	\$500.00

Receipt for [X]Primary Aggregate YTD > \$500.00

William Rorer Greenhill Road Lumberville, PA 18933-	Self Consultant	04/25/94	\$1000.00
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Receipt for [X]Primary Aggregate YTD > \$1000.00

Deron Ruby 202 Mohegan Street New Britain, PA 18901-	Tel-Save MIS Manager	04/29/94	\$1000.00
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Receipt for [X]Primary Aggregate YTD > \$1000.00

Steve Sandy PO Box 79 Springtown, 18081-	Gimpel Corp. President	05/11/94	\$200.00
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Receipt for [X]General Aggregate YTD > \$200.00

Lawrence R. Scheetz 11 Avondale Drive Newtown, PA 18940-	Self Attorney	06/28/94	\$250.00
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Receipt for [X]General Aggregate YTD > \$525.00

Ed Schenck R.D. #1 6630 Stump Road Pipersville, PA 18947-	Retired	06/17/94	\$500.00
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Receipt for [X]General Aggregate YTD > \$500.00

Dr. Carl I. Simons 1088 Highland Newtown, PA 18940-	Self Doctor	06/20/94	\$1000.00
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Receipt for [X]General Aggregate YTD > \$1500.00

SUBTOTAL of Receipts This Page.....> \$4450.00

TOTAL This Period.....>

SCHEDULE A **ITEMIZED RECEIPTS**
Contributions from Individuals/Persons

NAME OF COMMITTEE(in Full)
 Greenwood for Congress C00255703

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Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
John W. Smithson 6 Penns Woods Drive Pineville, PA 18946-	PMA Reinsurance Co. CEO	06/22/94	\$250.00

Receipt for General Aggregate YTD > \$250.00

George F. Steel 109 Country View Lane Chalfont, PA 18914-	Little Farm Estates Owner	06/28/94	\$1000.00
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Receipt for General Aggregate YTD > \$1000.00

Cathy Stevens 56 Sandywood Drive Doylestown, PA 18901-	Homemaker	04/27/94	\$40.00
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Receipt for Primary Aggregate YTD > \$40.00

Cathy Stevens 56 Sandywood Drive Doylestown, PA 18901-	Homemaker	06/13/94	\$1000.00
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Receipt for General Aggregate YTD > \$1040.00

Gordon Stott 756 Worthington Mill Road Newtown, PA 18940-	Retired	06/20/94	\$200.00
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Receipt for General Aggregate YTD > \$250.00

Michael Welsh 28 Fireside Lane Levittown, PA 19055-	M.W. Trailer Manager	05/04/94	\$250.00
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Receipt for Primary Aggregate YTD > \$250.00

Mark Worthington 6 Bridlewood Drive New Hope, PA 18938-	Worthington Associates Builder/Developer	06/08/94	\$1000.00
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Receipt for General Aggregate YTD > \$1000.00

SUBTOTAL of Receipts This Page.....> \$3740.00

TOTAL This Period.....>

SCHEDULE A
Contributions from Individuals/Persons

PAGE 15 OF
FOR LINE NUMBER 11(a)(1)

NAME OF COMMITTEE(in Full)
Greenwood for Congress C00255703

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Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
Stanley Worthington 81 Main Street Fallsington, PA 19054-	Retired	04/22/94	\$200.00
Receipt for <input checked="" type="checkbox"/> Primary	Aggregate YTD >	\$200.00	
SUBTOTAL of Receipts This Page.....>			\$200.00
TOTAL This Period.....>			\$53230.00

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SCHEDULE B
Operating Expenditures

ITEMIZED DISBURSEMENTS

PAGE 1 OF
FOR LINE NUMBER 17

NAME OF COMMITTEE(in Full)
Greenwood for Congress C00255703

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

Full Name Mailing Address	Purpose of Disbursement	Date MM/DD/YY	Amount
Bell Atlantic-PA PO Box 8585 Philadelphia, PA 19173-	Phone bill Disbursement for [X]Primary	04/09/94	\$153.21
Bell Atlantic-PA PO Box 8585 Philadelphia, PA 19173-	Phone bill Disbursement for [X]Primary	05/09/94	\$159.77
✓ Bell Atlantic-PA PO Box 8585 Philadelphia, PA 19173-	Deposit-2 phone lines Disbursement for [X]General	06/08/94	\$850.00
✓ Bell Atlantic-PA PO Box 8585 Philadelphia, PA 19173-	Phone Bill Disbursement for [X]General	06/13/94	\$214.72
○ Continental Bank East Court Street Doylestown, PA 18901-	FICA/Withholding Disbursement for [X]Primary	04/09/94	\$216.88
✓ Continental Bank East Court Street Doylestown, PA 18901-	FICA/Withhold Disbursement for [X]Primary	05/09/94	\$216.88
○ Continental Bank East Court Street Doylestown, PA 18901-	FICA/Withholding Disbursement for [X]General	06/08/94	\$721.93
Continental Bank East Court Street Doylestown, PA 18901-	Excess Items Charge Disbursement for [X]General	06/30/94	\$15.60
Continental Bank East Court Street Doylestown, PA 18901-	Analysis Charge Disbursement for [X]General	04/20/94	\$21.57
SUBTOTAL of Disbursements This Page.....>			\$2570.56
TOTAL This Period.....>			

SCHEDULE B
Operating Expenditures

ITEMIZED DISBURSEMENTS

NAME OF COMMITTEE(in Full)
 Greenwood for Congress C00255703

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

Full Name Mailing Address	Purpose of Disbursement	Date MM/DD/YY	Amount
Continental Bank East Court Street Doylestown, PA 18901-	Analysis Charge Disbursement for [X]General	05/20/94	\$111.32
Copy Magic 422 East Butler Avenue Doylestown, PA 18901-	Printing, etc. Disbursement for [X]Primary	04/09/94	\$607.70
Copy Magic 422 East Butler Avenue Doylestown, PA 18901-	Stationery/Envelopes Disbursement for [X]Primary	04/20/94	\$161.65
Credit Card Center PO Box 385 Memphis, TN 38101-	Dining Disbursement for [X]Primary	05/09/94	\$58.81
Credit Card Center PO Box 385 Memphis, TN 38101-	Interest Charge Disbursement for [X]Primary	05/09/94	\$1.95
Credit Card Center PO Box 385 Memphis, TN 38101-	Hotel Disbursement for [X]General	06/01/94	\$241.09
Futuristic Dee Jays, Inc. 847 Bristol Pike Bensalem, PA 19020-	C/West DJ Disbursement for [X]Primary	04/12/94	\$125.00
Doylestown Inn 18 West State Street Doylestown, PA 18901-	Realtors Bkf. Disbursement for [X]General	06/06/94	\$133.00
Doylestown Store & L Jimm Stotz, Manager 390 North Broad Doylestown, PA 18901-	Rental fee Disbursement for [X]Primary	04/09/94	\$40.28
SUBTOTAL of Disbursements This Page.....>			\$1480.80
TOTAL This Period.....>			

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**SCHEDULE B
Operating Expenditures**

ITEMIZED DISBURSEMENTS

NAME OF COMMITTEE(in Full)
Greenwood for Congress C00255703

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Full Name Mailing Address	Purpose of Disbursement	Date MM/DD/YY	Amount
Doylestown Store & L Jimm Stotz, Manager 390 North Broad Doylestown, PA 18901-	Rental fee	05/06/94	\$40.28
	Disbursement for [X]Primary		
Center Fox Chase Cancer	Auction Ticket	06/29/94	\$40.00
	Disbursement for [X]General		
Center Fox Chase Cancer	Auction Purchase	06/29/94	\$1315.00
	Disbursement for [X]General		
Brad Fravel 98 Red Rose Drive Levittown, PA 19056-	Salary	05/16/94	\$630.00
	Disbursement for [X]General		
Brad Fravel 98 Red Rose Drive Levittown, PA 19056-	Reimbursement	05/18/94	\$83.16
	Disbursement for [X]General		
Brad Fravel 98 Red Rose Drive Levittown, PA 19056-	Reimbursement	06/20/94	\$235.34
	Disbursement for [X]General		
Brad Fravel 98 Red Rose Drive Levittown, PA 19056-	Reimbursement	06/22/94	\$200.00
	Disbursement for [X]General		
James C. Greenwood 785 River Road Erwinna, PA 18920-	Reimburse	05/09/94	\$221.60
	Disbursement for [X]Primary		
Gail Hawraney 2 Avondale Drive Newtown, PA 18940-	Salary	04/02/94	\$778.64
	Disbursement for [X]Primary		
SUBTOTAL of Disbursements This Page.....>			\$3544.02
TOTAL This Period.....>			

SCHEDULE B
Operating Expenditures

ITEMIZED DISBURSEMENTS

NAME OF COMMITTEE(in Full)
Greenwood for Congress C00255703

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Full Name Mailing Address	Purpose of Disbursement	Date MM/DD/YY	Amount
Gail Hawraney 2 Avondale Drive Newtown, PA 18940-	Salary Disbursement for [X]Primary	04/29/94	\$778.64
Gail Hawraney 2 Avondale Drive Newtown, PA 18940-	Reimburse Disbursement for [X]Primary	05/02/94	\$20.00
Gail Hawraney 2 Avondale Drive Newtown, PA 18940-	Salary Disbursement for [X]General	05/27/94	\$778.64
Gail Hawraney 2 Avondale Drive Newtown, PA 18940-	Reimburse Disbursement for [X]General	06/17/94	\$31.86
Gail Hawraney 2 Avondale Drive Newtown, PA 18940-	Salary Disbursement for [X]General	06/24/94	\$778.64
Bucks County Headquarters, Inc 115 North Broad Street Doylestown, PA 18901-	Inc Rent Disbursement for [X]Primary	04/02/94	\$200.00
Bucks County Headquarters, Inc 115 North Broad Street Doylestown, PA 18901-	Inc Rent Disbursement for [X]Primary	05/02/94	\$200.00
State Workmen's Insurance Fund PA Dept. of Labor & Industry 1171 S. Cameron St., Room 103 Harrisburg, PA 17104-	Workers Comp Disbursement for [X]Primary	05/09/94	\$174.00
Jordan P. Krauss	Salary Disbursement for [X]Primary	04/27/94	\$1667.00
SUBTOTAL of Disbursements This Page.....>			\$4628.78
TOTAL This Period.....>			

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SCHEDULE B
Operating Expenditures

ITEMIZED DISBURSEMENTS

NAME OF COMMITTEE(in Full)
 Greenwood for Congress C00255703

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Full Name Mailing Address	Purpose of Disbursement	Date MM/DD/YY	Amount
Jordan P. Krauss	Salary	05/25/94	\$1223.62
	Disbursement for [X]General		
Robert Loughery 1808 Braeburn Terrace Lansdale, PA 19446-	Salary	06/01/94	\$658.58
	Disbursement for [X]General		
3 Robert Loughery 1808 Braeburn Terrace 4 Lansdale, PA 19446-	Reimbursement	06/15/94	\$100.00
	Disbursement for [X]General		
4 Bank Midlantic National 4 Metro Park Plaza PO Box 600 8 Edison, NJ 08818-	Rent	06/03/94	\$1500.00
	Disbursement for [X]General		
6 Of Bucks County Planned Parent Donation/Auction Purchase 6 721 New Rodgers Road 3 Bristol, PA 19020-		06/05/94	\$460.00
	Disbursement for [X]General		
4 Postmaster 4 Doylestown Post Office 0 8 Atkinson Drive 5 Doylestown, PA 18901-	Stamps/Mailing	04/07/94	\$62.06
	Disbursement for [X]Primary		
9 Postmaster 9 Doylestown Post Office 8 Atkinson Drive Doylestown, PA 18901-	Stamps	04/16/94	\$62.64
	Disbursement for [X]Primary		
Postmaster Doylestown Post Office 8 Atkinson Drive Doylestown, PA 18901-	PO Box Rent	04/18/94	\$46.50
	Disbursement for [X]Primary		
Postmaster Doylestown Post Office 8 Atkinson Drive Doylestown, PA 18901-	Stamps/Mailing	05/06/94	\$59.33
	Disbursement for [X]Primary		
SUBTOTAL of Disbursements This Page.....>			\$4172.73
TOTAL This Period.....>			

**SCHEDULE B
Operating Expenditures**

ITEMISED DISBURSEMENTS

NAME OF COMMITTEE (in Full)
Greenwood for Congress C00255703

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Full Name Mailing Address	Purpose of Disbursement	Date MM/DD/YY	Amount
Postmaster Doylestown Post Office 8 Atkinson Drive Doylestown, PA 18901-	Stamps Disbursement for [X]General	05/20/94	\$59.16
Postmaster Doylestown Post Office 8 Atkinson Drive Doylestown, PA 18901-	Stamps Disbursement for [X]General	06/06/94	\$116.00
Public Opinion Strat 1033 N. Fairfax Street Suite 120 Alexandria, VA 22314-	Poll Disbursement for [X]Primary	04/02/94	\$11500.00
Citizens for Mark Schweiker	Donation Disbursement for [X]Primary	04/05/94	\$300.00
Sir Speedy Printing 41 East State Street Doylestown, PA 18901-	Copies Disbursement for [X]General	05/13/94	\$38.92
Sir Speedy Printing 41 East State Street Doylestown, PA 18901-	Printing/Copies Disbursement for [X]General	06/20/94	\$186.17
Somebody Small Co. C/O Bucks C. Community College Swamp Road Newtown, PA 18940-	Catering Disbursement for [X]Primary	05/06/94	\$250.00
Stack Sales PO Box 862 52 E. Oakland Avenue Doylestown, PA 18901-	Office Supplies Disbursement for [X]Primary	04/09/94	\$146.91
Stack Sales PO Box 862 52 E. Oakland Avenue Doylestown, PA 18901-	Office Supplies Disbursement for [X]Primary	05/09/94	\$17.72
SUBTOTAL of Disbursements This Page.....>			\$12614.88
TOTAL This Period.....>			

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SCHEDULE B
Operating Expenditures

ITEMIZED DISBURSEMENTS

NAME OF COMMITTEE (in Full)
Greenwood for Congress C00255703

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Full Name Mailing Address	Purpose of Disbursement	Date MM/DD/YY	Amount
Santorum for US Senate	Donation	05/02/94	\$1000.00
Disbursement for [X]Primary			
Pusateri, Ltd. Welch, Campbell, 8133 Leesburg Pike, Suite 530 Vienna, VA 22182-	Printing/Hand-out	05/02/94	\$6500.00
Disbursement for [X]Primary			
SUBTOTAL of Disbursements This Page.....>			\$7500.00
TOTAL This Period.....>			\$36511.77

9504368110

Henry Bell
7/20/94

Greenwood, Murray spar over finances

By FRANK DEVLIN
Of The Morning Call

At least 11 members of a New Hope company donated \$1,000 each to U.S. Rep. James C. Greenwood, according to the Bucks County congressman's most recent campaign finance report.

The report, filed last week, has prompted another bitter exchange between Greenwood and Democratic challenger John Murray over Greenwood's much publicized pledge to shun contributions from political action committees.

Murray has attacked the pledge as bogus. He has accused the Greenwood campaign of soliciting money from groups that orchestrate a series of individual contributions to get around the no-PAC pledge. Greenwood has called Murray's allegations irresponsible and without basis.

Greenwood's report, which covers fund-raising activity from April through June, shows several members of Tel-Save Inc. — from the president to the collections officer — contributed \$1,000 each to Greenwood's reelection campaign on April 29.

Tel-Save is a phone services reseller. The company buys at bulk discount rates from AT&T and then resells to companies that do not use enough phone service to qualify for discounts on their own.

Please See GREENWOOD Page A2 ▶

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Continued FROM THE FRONT PAGE

GREENWOOD

▶ Continued From Page A1

In all, Greenwood raised \$78,340 over that period, bringing his year-to-date total to \$114,048.50. Murray has not filed a report this year because, according to his campaign, he has not reached the \$5,000 minimum that requires him to do so.

Murray said Greenwood "touts himself as a proponent of campaign reform and he goes back door to get PAC money. This is a prime example of it."

"Eleven people in one single company don't land on an amount they should give to a candidate unless somebody schooled them on the way it was supposed to be done," Murray said.

"It's obvious when you get that many contributions from one company... that they have been given some kind of direction," said Milton Berke, chairman of the county Democratic Committee.

Greenwood called the allegations "insulting. That's another instance of these guys... putting their mouths off."

"All I can tell you is I guess they like me," the congressman said of contributions from the Tel-Save employees.

Greenwood said he met Tel-Save President Daniel Borislow once, when the executive was on business in Washington two months ago and stopped by Greenwood's congressional office.

"I've spent a total of 20 minutes talking to [Borislow] in my life," he said.

Greenwood said Borislow complained that the Federal Communications Commission was not enforcing a certain statute that affected Tel-Save's business. Greenwood said his office faxed an information-seeking letter to the FCC asking the agency if it had enough staff to regulate the phone industry. The of-

fice has not yet received a response, he said.

"I didn't ask this guy [Borislow] to raise money," Greenwood said. "This is something he did voluntarily. I haven't done anything for him except fax a letter. I would have done it if nothing was contributed or one cent or two cents."

"I was not made aware of [the contributions] until after the fact," he said.

Tel-Save made news in the telecommunications industry three weeks ago by settling complaints it had lodged at the FCC against AT&T. The company had alleged that AT&T was not giving Tel-Save an opportunity to buy the discount, high volume phone service it desired. Tel-Save agreed to drop the complaints when AT&T promised Tel-Save all the service it wanted, according to trade publications.

Borislow weighed in on the controversy late yesterday.

As for the other Tel-Save employees who contributed, Borislow said "they do a lot of the same

As for the other Tel-Save employees who contributed, Borislow said "they do a lot of the same

According to the campaign report, the Tel-Save employees who contributed \$1,000 to the Greenwood campaign were:

- Borislow, of New Hope; Emanuel DeBate, operations manager, of Neshaan Station, N.J.; David Gross, provisioning manager, of Philadelphia; Jason Jansell, customer service representative, of Conshohocken; Kevin Kelly, controller, of Willow Grove; James Logan, compliance manager, of Hattertown; Greg Luff, operations manager, of Frantington Valley; Gary McCulla, vice president of marketing, of Branchburg, N.J.; Pete Morris, MIS director, of Lansdale; Doreen Ruby, MIS manager, of New Britain; and Raymond Battistini, collection officer, of Downingtown.

Greenwood, businessman explain 11 money orders

By FRANK DEVLIN
Of The Morning Call

Daniel Borislow, president of a Bucks County telecommunications company, wanted to know how he could make a contribution to his congressman's re-election campaign. "Is cash OK?" he asked U.S. Rep. James C. Greenwood, R-8th District. "Absolutely not," the congressman answered.

That exchange — which took place April 14 at Greenwood's Washington office, the congressman said yesterday — led to events that ended this week with the Greenwood campaign returning contributions made by 11 mem-

bers of Borislow's New Hope firm, Tel-Save Inc.

Instead of cash, the Tel-Save contributions were made with money orders. But money orders, it turned out, weren't OK, either.

Because money orders can't be traced to personal checking accounts — among other reasons — the Tel-Save contributions made Greenwood and his campaign treasurer, Robert O. Baldi, uncomfortable.

So the campaign sent them back to avoid "even a suggestion of impropriety," Baldi said.

In separate interviews yesterday, Greenwood and Borislow talked about their April meeting and said em-

phatically that the Tel-Save funds were raised independently of the Greenwood campaign.

"Neither I, nor anyone in my campaign ever solicited [Borislow] or anyone else," the congressman said.

"What Greenwood said about not soliciting those funds is absolutely true," said Borislow.

Questions were first raised about the Tel-Save contributions on Tuesday by Greenwood's opponent in the November election, Democrat John Murray said the series of \$1,000 donations — all logged on April 29, according to Greenwood's most recent campaign finance report — appeared orchestrated.

Please See MONEY Page B6 ▶

MONEY

▶ Continued From Page B1

Murray also said accepting groupings of contributions from the same company or industry would allow Greenwood to, in effect, skirt his pledge to take no money from political action committees.

On Wednesday, Baldi reported that he had checked the campaign records and learned for the first time that the Tel-Save contributions were made with money orders. That was odd, he said, because contributions are usually made with personal checks.

"When I saw 11 money orders all at the same time I said, 'I don't like it,' and Jim agreed," Baldi said.

Baldi also announced that the contributions would be sent back to the individuals who made them.

In yesterday's interview, Borislow said he wanted to give to the Greenwood campaign because he was impressed with how respon-

sive the freshman congressman was to his concerns.

"He set up the meeting right away," Borislow said. "I must have met with the guy a week after I called him."

At the meeting, Borislow said, he complained that the Federal Communications Commission was not doing enough to protect his relatively small company, which has about 20 employees, from giants such as AT&T.

Tel-Save buys long distance service at high volume rates from AT&T and resells it at discounts of about 25 percent to companies that are not big enough to get AT&T discounts on their own, Borislow said.

Three weeks ago, the company settled a complaint against AT&T that was being heard by the FCC. According to trade publications, the settlement gave Tel-Save more access to AT&T service.

Greenwood, who had been unfamiliar with Borislow's company, said he spent most of the 20-minute meeting with Borislow just trying

to listen and learn. Afterward, Greenwood's office sent a letter to the FCC on behalf of Borislow.

Borislow said he solicited contributions for Greenwood from a couple of top Tel-Save executives. How others ended up giving, he said, he did not know.

Asked for an opinion on why all 11 Tel-Save contributors might have chosen to donate to the campaign with money orders, Borislow said, "We're naive."

In his business, Borislow said "money orders are the next best thing to cash. We prefer money orders to checks. That's our preference."

Greenwood said he told Borislow in Washington that all contributions should be made with personal checks.

Borislow disagreed. "If they would have said that, we would have done that," he said. "I never made a campaign contribution before. I didn't know that the congressman would be looking for a personal check

"It certainly is a lesson in learning how to do this the next time," Borislow said.

"If I had been in the campaign office when [the money orders] came in," Greenwood said yesterday in a telephone interview from Washington. "I would have immediately sent them back."

Greenwood said campaign manager Gail Hawraney, who also questions about the money orders processed them only after seeking advice.

Greenwood said the campaign worker called a lawyer from the Republican National Committee in Washington to make sure accepting money orders was legal.

A spokeswoman from the Federal Elections Commission confirmed yesterday that money orders are an acceptable way to make campaign contributions.

But sending money orders to a campaign "is unusual," Greenwood said.

Greenwood said his campaign will no longer accept money orders

*Murray call
7/23/94*

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Probe sought of Greenwood fund-raising

Opponent wants FEC to investigate contributions from Bucks company

By JOSEPH McDERMOTT
Of The Morning Call

Democratic congressional candidate John P. Murray has asked the Federal Election Commission to investigate the fund-raising practices of Republican James C. Greenwood, R-6th District, over a series of \$1,000 contributions Greenwood received from employees of a New Hope telecommunications company.

The 11 contributions, all received April 29 as money orders from company President Daniel Borislow and other employees at Tel-Save Inc., were aimed at circumventing federal law prohibiting donations from corporations, Murray said in a letter to FEC Chairman Trevor Potter.

"The nature of the contributions is virtually that of a corporation and therein patently against the law," Murray wrote. "In view of this incident, I am requesting that all practices of this campaign committee be reviewed."

FEC spokeswoman Sharon Snyder said anyone can file a complaint or request for investigation against a campaign. The material must be submitted in writing, notarized and sworn to by the individual making the complaint or request.

The FEC must contact the subject within five days of receiving the letter, and the subject has 15 days to respond, Snyder said.

Federal law prohibits campaign contri-

butions by corporations, labor organizations or national banks. It also prohibits use of corporate funds to make contributions, and individuals are prohibited from making contributions in someone else's name.

Greenwood and his campaign treasurer, Robert O. Baldi, earlier this week denied that the contributions constituted campaign law violations, but both said the money will be returned to avoid the appearance of impropriety.

Yesterday, Murray charged that the contributions were repayment for favors granted to Borislow and Tel-Save by the first-term congressman.

"Both the congressman and the executive officer of Tel-Save admit that money

was given for favors received and/or promised," Murray said, referring to Borislow's comments in The Morning Call Wednesday. "To use the congressman's own words, government officials must bend over backward to avoid the appearance that government is for sale, but it seems this government official leaned forward and took the money."

Borislow was quoted Wednesday as saying: "He's my congressman. He takes care of us, and we're supposed to take care of him."

Borislow met with Greenwood April 14 to complain that the FCC was not doing enough to protect his company from

Please See GREENWOOD Page B4 >

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GREENWOOD

► Continued From Page B3

long distance giants like AT&T.

At the meeting, Greenwood's staff faxed a letter to the FCC asking if it had enough employees to regulate the long-distance company.

Tel-Save, a phone services reseller that buys bulk discount rates from AT&T and in turn sells to companies not large enough to qualify for the discount packages, settled a complaint with the FCC three weeks ago that allows it to purchase more discount, high-volume phone service from AT&T.

Both Greenwood and Borislow have said the contributions were unsolicited by the campaign. Borislow said he wanted to help Greenwood's campaign because he was impressed with how responsive the congressman was to his concerns.

Greenwood campaign manager Rob Loughery called Murray's allegations "p. / weak" and characterized them as "distortions."

"If Jim wasn't a congressman and a public official open to scrutiny, I would think some of these lines would be ab-

surd and defamatory," Loughery said, referring to Murray's press release.

"For the record, Mr. Greenwood has spent no more than 20 minutes with the president of the company in question. His only action was to draft a letter of inquiry to a federal regulatory agency with regard to enforcement practices of a general nature," Loughery said. "The letter did not mention the firm by name."

Greenwood's letter to FCC Chairman Reed E. Hunt, dated June 1, asks for information on FCC resources to monitor long-distance resales and whether the FCC needs more authority to take action on the issue.

Loughery also denied allegations of a "quid pro quo" arrangement between the company and the campaign in return for the contributions.

"Neither party ever said this, nor is there any reason to believe that either party would," he continued. "This practice of the big lie, so common in the big city union politics in which our opponent has spent his entire adult life, simply doesn't play in our district."

Loughery also said each of the contributions was confirmed by letters from the employees that identified the amounts to be donated.

Call 7/20/91

Greenwood, Murray spar over finances

By FRANK DEVLIN
Of The Morning Call

At least 11 members of a New Hope company donated \$1,000 each to U.S. Rep. James C. Greenwood, according to the Bucks County congressman's most recent campaign finance report.

The report, filed last week, has prompted another bitter exchange between Greenwood and Democratic challenger John Murray over Greenwood's much publicized pledge to shun contributions from political action committees.

Murray has attacked the pledge as bogus. He has accused the Greenwood campaign of soliciting money from groups that orchestrate a series of individual contributions to get around the no PAC pledge. Greenwood has called Murray's allegations irresponsible and without basis.

Greenwood's report, which covers fund-raising activity from April through June, shows several members of Tel-Save Inc. — from the president to the collections officer — contributed \$1,000 each to Greenwood's reelection campaign on April 29.

Tel-Save is a phone services reseller. The company buys at bulk discount rates from AT&T and then resells to companies that do not use enough phone service to qualify for discounts on their own.

Please See GREENWOOD Page A2

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Continued FROM THE FRONT PAGE

GREENWOOD

Continued From Page A1

In all, Greenwood raised \$78,340 over that period, bringing his year-to-date total to \$114,848.50. Murray has not filed a report this year because, according to his campaign, he has not reached the \$5,000 minimum that requires him to do so.

Murray said Greenwood "touts himself as a proponent of campaign reform and he goes back door to get PAC money. This is a prime example of it."

"Eleven people in one single company don't land on an amount they should give to a candidate unless somebody schooled them on the way it was supposed to be done," Murray said.

"It's obvious when you get that many contributions from one company... that they have been given some kind of direction," said Milton Berkes, chairman of the county Democratic Committee.

Greenwood called the allegations "insulting. That's another instance of these guys shooting their mouths off."

"All I can tell you is I guess they like me," the congressman said of contributions from the Tel-Save employees.

Greenwood said he met Tel-Save President Daniel Borislow once, when the executive was on business in Washington two months ago and stopped by Greenwood's congressional office.

"I've spent a total of 20 minutes talking to [Borislow] in my life," he said.

Greenwood said Borislow complained that the Federal Communications Commission was not enforcing a certain statute that affected Tel-Save's business. Greenwood said his office faxed an information-seeking letter to the FCC asking the agency if it had enough staff to regulate the phone industry. The of-

ice has not yet received a response, he said.

"I didn't ask this guy [Borislow] to raise money," Greenwood said. "This is something he did voluntarily. I haven't done anything for him except fax a letter. I would have done it if nothing was contributed or one cent or two cents."

"I was not made aware of [the contributions] until after the fact," he said.

Tel-Save made news in the telecommunications industry three weeks ago by sending complaints it had lodged at the FCC against AT&T. The company had alleged that AT&T was not giving Tel-Save an opportunity to buy the discount, high volume phone service it desired. Tel-Save agreed to drop the complaints when AT&T promised Tel-Save all the service it wanted, according to trade publications.

Borislow weighed in on the controversy late yesterday afternoon.

"He's my congressman," Borislow explained. "He takes care of us and we're supposed to take care of him."

As for the other Tel-Save employees who contributed, Borislow said "they do a lot of the same things I do."

According to the campaign report, the Tel-Save employees who contributed \$1,000 to the Greenwood campaign were:

- Borislow, of New Hope; Emanuel DeMatte, operations manager, of Neuhanic Station, N.J.; David Gross, provisioning manager, of Philadelphia; Jason Janusell, customer service representative, of Conshohocken; Kevin Kelly, controller, of Willow Grove; James Legna, compliance manager, of Hollertown; Greg Luff, operations manager, of Huntington Valley; Gary McCulla, vice president of marketing, of Branchburg, N.J.; Pete Morrison, MIS director, of Lansdale; Daron Ruby, MIS manager, of New Britain; and Raymond Battistini, collection officer, of Downingtown.

Greenwood axes Tel-Save money

By FRANK DEVLIN
Of The Morning Call

U.S. Rep. James C. Greenwood of Bucks County, R. 8th District, has decided to return all contributions his campaign received from the employees of a New Hope telecommunications company.

The contributions — \$1,000 each from 11 employees of Tel-Save Inc., all logged on April 29 — became fodder for Greenwood's opponent in the November election when they showed up in his most recent campaign finance report.

"We don't want even a suggestion of impropriety," Greenwood's campaign treasurer, Robert O. Baldi, said last night. "Or any suggestion that we have done anything inconsistent with the position Congressman Greenwood has taken" to shun contributions from political action com-

mittees.

On Tuesday, Democrat John Murray said the donations appeared orchestrated. "Eleven people in one single company don't land on an amount they should give to a candidate unless somebody schooled them on the way it should be done," Murray said. He also said accepting groupings of contributions from the same company or industry would allow Greenwood to in effect, skirt his no-PAC pledge.

Greenwood objected strenuously to the notion that his campaign was in any way involved in the block of contributions and called the allegations "insulting."

Nevertheless, the money is going back. Baldi said last night that envelopes addressed to each of the contributors were signed, sealed and ready for the mail. He said he knew "of no wrongdoing" on the

Please See TEL-SAVE Page A8 ▶

THE MORNING CALL THURSDAY JULY 21, 1994 A8

Tel-Save funds going back, Greenwood decides

▶ Continued From Page A1

part of Tel-Save. He added the campaign has a "when in doubt, throw it out" policy.

"Please understand I am not impugning the integrity or the intent of the people who contributed that money," Baldi said. "There may be mistakes. Hopefully, they won't."

The givebacks will hardly put a dent in the huge fund-raising lead Greenwood enjoys over Murray. Greenwood's latest report shows that he has raised \$114,048.50 so far this year. Meanwhile, Murray — a

decided underdog — has not raised the \$5,000 minimum that requires candidates to file campaign finance reports.

Greenwood, who Baldi said was expected to be on the floor of Congress into the night, was unavailable for comment yesterday.

Tel-Save is a long distance services reseller. The company buys at high volume rates from AT&T and then resells to companies that do not use enough long distance to qualify for discounts on their own.

Three weeks ago, the company settled a complaint with AT&T

that was being considered by the Federal Communications Commission. The company had complained that AT&T was not giving Tel-Save an opportunity to buy the discounted service it desired. The settlement gave Tel-Save the service.

Baldi said Greenwood decided to send the money back Tuesday night, after a reporter's phone call prompted an inquiry.

Baldi said he checked campaign records Tuesday afternoon and found that all Tel-Save contributions came in the form of money orders.

"I don't understand why people

use money orders to make contributions," Baldi said. "When I saw 11 money orders all at the same time, I said, 'I don't like it,' and Jim agreed."

"What we want is a personal check with an address on it," he said. "As of 7:10 tonight, we're not going to accept money orders."

On Tuesday, Greenwood said he had met the president of Tel-Save, Daniel Borislow of New Hope, once in his office in Washington. Greenwood said Borislow stopped into his office a few months ago to talk about the FCC.

"I've spent a total of 20 minutes talking to this guy in my life," Greenwood said.

Borislow complained that the FCC's lax enforcement of certain laws was hurting his company. Greenwood recalled Greenwood said his office faxed an information-seeking letter to the FCC asking the agency if it had enough staff to regulate the long distance industry.

"I didn't ask this guy [Borislow] to raise money," Greenwood said Tuesday.



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

AUGUST 4, 1994

Daniel Borislow
Chief Executive Officer and Treasurer
Tel-Save, Inc.
1017 North York Road, Unit 1
Willow Grove, PA 19090

RE: MUR 4019

Dear Mr. Borislow:

The Federal Election Commission received a complaint which indicates that Tel-Save, Inc. and you, as Executive Officer and 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 4019. 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 Tel-Save, Inc. and you, as Executive Officer and 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.

95043684417

Daniel Borislow
Chief Executive Officer and Treasurer
Tel-Save, Inc.
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

95043684418



FEDERAL ELECTION COMMISSION

WASHINGTON DC 20463

AUGUST 4, 1994

Deron Ruby
202 Mohegan Street
New Britain, PA 18901

RE: MUR 4019

Dear Mr. Ruby:

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 4019. 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.

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95043684419

Deron Ruby
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
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3. Designation of Counsel Statement

95043684420



FEDERAL ELECTION COMMISSION

WASHINGTON DC 20463

AUGUST 4, 1994

Pete Morrison
406 Franklin Street
Lansdale, PA 19446

RE: MUR 4019

Dear Mr. Morrison:

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 4019. 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.

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95043684421

Pete Morrison
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
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95043684422



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

AUGUST 4, 1994

Gary McCulla
340 Pleasant Run Road
Branchburg, NJ 08876

RE: MUR 4019

Dear Mr. McCulla:

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 4019. 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.

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Gary McCulla
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
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950443684424



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

AUGUST 4, 1994

Greg Luff
1006 Hemlock Lane
Huntington Valley, PA 19006

RE: MUR 4019

Dear Mr. Luff:

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 4019. 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.

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95043684425

Greg Luff
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
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3. Designation of Counsel Statement

95043684426



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

AUGUST 4, 1994

James Logan
32 West Depot
Hellertown, PA 18055

RE: MUR 4019

Dear Mr. Logan:

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 4019. 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.

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95043684427

James Logan
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
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95043684428



FEDERAL ELECTION COMMISSION

WASHINGTON DC 20463

AUGUST 4, 1994

Kevin Kelly
22 Fitznewtown Road, Unit B8
Willow Grove, PA 19090

RE: MUR 4019

Dear Mr. Kelly:

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 4019. 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.

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95043684429

Kevin Kelly
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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95043684430



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

AUGUST 4, 1994

Jason Januzelli
122 West First Avenue
Conshohocken, PA 19428

RE: MUR 4019

Dear Mr. Januzelli:

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 4019. 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.

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95043684431

Jason Januselli
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

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9 5 0 4 3 6 8 4 4 3 2



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

AUGUST 4, 1994

David Gross
1509A Marcy Place
Philadelphia, PA 19115

RE: MUR 4019

Dear Mr. Gross:

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 4019. 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.

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9 5 0 4 3 6 8 4 4 3 3

David Gross
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

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1. Complaint
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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

AUGUST 4, 1994

**Emanuel DeMaio
73 Buckland Drive
Neshanic Station, NJ 08853**

RE: MUR 4019

Dear Mr. DeMaio:

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 4019. 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.

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95043684435

Emanuel DeMaio
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

AUGUST 4, 1994

Daniel Borislow
10 Riverstone Circle
22 Village Square
New Hope, PA 18938

RE: MUR 4019

Dear Mr. Borislow:

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 4019. Please refer to this number in all future correspondence.

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95043684437

Daniel Borislow
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

AUGUST 4, 1994

The Honorable Jim Greenwood
785 River Road
Erwinna, PA 18920

RE: MUR 4019

Dear Mr. Greenwood:

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 4019. Please refer to this number in all future correspondence.

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95043684439

The Honorable Jim Greenwood
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

cc: Representative Jim Greenwood

95043684440



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

AUGUST 4, 1994

Raymond Battistini
723 Washington Place
Downington, PA 19087

RE: MUR 4019

Dear Mr. Battistini:

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 4019. 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.

9504368441

Raymond Battistini
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

95043684442



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

AUGUST 4, 1994

**Robert O. Baldi, Esq., Treasurer
Greenwood for Congress
P.O. Box 2358
Doylestown, PA 18901**

RE: MUR 4019

Dear Mr. Baldi:

The Federal Election Commission received a complaint which indicates that Greenwood for Congress ("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 4019. 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.

95043684443

Robert O. Baldi, Esq., Treasurer
Greenwood for Congress
Page 2

If you have any questions, please contact Joan McEnery at
(202) 219-3400. For your information, we have enclosed a brief
description of the Commission's procedures for handling
complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

95043684444



FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20461

AUGUST 4, 1994

John P. Murray
Murray for Congress
P.O. 234
Washington Crossing, PA 18977

RE: MUR 4019

Dear Mr. Murray:

This letter acknowledges receipt on July 29, 1994, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). The respondent(s) 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 4019. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosure
Procedures

95043684445

STATEMENT OF DESIGNATION OF COUNSEL

NUR 4019

NAME OF COUNSEL: Geoffrey Aronow, Sonia Poia, Susan Chertkof

ADDRESS: Arnold & Porter
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

TELEPHONE: (202) 872-6700

RECEIVED
OFFICE OF THE
ATTORNEY GENERAL
30111103
AUG 15 1994

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf
before the Commission.

Aug. 12, 1995
Date

Dan Babin
Signature

RESPONDENT'S NAME: Daniel Boristow

ADDRESS: 10 Riverstone Circle
New Hope PA 18938

TELEPHONE: HOME
BUSINESS (215) 862-1503

95043684446

STATEMENT OF DESIGNATION OF COUNSEL

NUR 4019

NAME OF COUNSEL: Geoffrey Aronow, Sonia Fois, Susan Chertkof

ADDRESS: Arnold & Porter

1200 New Hampshire Avenue, N.W.

Washington, D.C. 20036

TELEPHONE: (202) 872-6700

REC'D LEGAL
FEDERAL COMMISSION
OFFICE OF THE SECRETARY
AUG 15 3 09 PM '94

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf
before the Commission.

8/12/94
Date

James Logan
Signature

RESPONDENT'S NAME: JAMES LOGAN

ADDRESS: 32 W. Depot ST
HELLERTOWN, PA. 18055

TELEPHONE: HOME _____

BUSINESS (215) 862-1511

95043684447

STATEMENT OF DESIGNATION OF COUNSEL

AUG 15 3 08 PM '94

FEDERAL BUREAU OF INVESTIGATION
OFFICE OF THE ATTORNEY GENERAL

MUR 4019

NAME OF COUNSEL: Geoffrey Aronow, Sonia Fois, Susan Chertkof

ADDRESS: Arnold & Porter

1200 New Hampshire Avenue, N.W.

Washington, D.C. 20036

TELEPHONE: (202) 872-6700

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

8/15/94
Date

Jason M. Januzelli
Signature

RESPONDENT'S NAME: Jason M. Januzelli

ADDRESS: 122 W 1st Ave

Conshohocken, PA 19428

TELEPHONE: HOME(_____)

BUSINESS(215) 862-1500

95043684448

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4019

NAME OF COUNSEL: Geoffrey Aronow, Sonia Fois, Susan Chertkof

ADDRESS: Arnold & Porter
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

TELEPHONE: (202) 872-6700

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf
before the Commission.

8.12.94
Date

Raymond Battistini
Signature

RESPONDENT'S NAME: RAYMOND BATTISTINI

ADDRESS: 723 WASHINGTON PI.
WAYNE PA. 19087

TELEPHONE: HOME:
BUSINESS (215) 887-4699

RECEIVED
FEDERAL BUREAU OF INVESTIGATION
OFFICE OF THE ATTORNEY GENERAL
AUG 15 3 01 PM '94

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 4019

NAME OF COUNSEL: Geoffrey Aronow, Sonia Fois, Susan Chertkof

ADDRESS: Arnold & Porter

1200 New Hampshire Avenue, N.W.

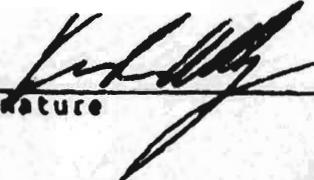
Washington, D.C. 20036

TELEPHONE: (202) 872-6700

RECEIVED
FEDERAL BUREAU OF INVESTIGATION
OFFICE OF THE ATTORNEY GENERAL
AUG 15 3 07 PM '94

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

8/12/94
Date


Signature

RESPONDENT'S NAME: Kevin R. Kelly

ADDRESS: 22 Fitzwater town Rd. Unit B-8
Willow Grove, PA 19090

TELEPHONE: HOME

BUSINESS (215) 862-1246

95043684450

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4019

NAME OF COUNSEL: Geoffrey Aronov, Sonia Fois, Susan Chertkof

ADDRESS: Arnold & Porter
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

TELEPHONE: (202) 872-6700

AUG 15 3 07 PM '94

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF THE CLERK

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf
before the Commission.

8/12/94
Date

[Signature]
Signature

RESPONDENT'S NAME: Emanuel J. DeMaio

ADDRESS: 73 Buckland Drive
Meshanic Station, NJ 08853

TELEPHONE: HOME

BUSINESS (215) 862-1508

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STATEMENT OF DESIGNATION OF COUNSEL

NUR 4019

NAME OF COUNSEL: Geoffrey Aronov, Sonia Fois, Susan Chertkof

ADDRESS: Arnold & Porter
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

TELEPHONE: (202) 872-6700

JUG 15 3 07 PM '94
FEDERAL ELECTION
COMMISSION
OFFICE OF THE
CLERK

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf
before the Commission.

8-12-94
Date


Signature

RESPONDENT'S NAME: PETER K. MORRISON

ADDRESS: 406 FRANKLIN ST.
LANSDALE PA 19446

TELEPHONE: HOME

BUSINESS (215) 862 1500

95043684452

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4019

NAME OF COUNSEL: Geoffrey Aronow, Sonia Fois, Susan Chertkof

ADDRESS: Arnold & Porter
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

TELEPHONE: (202) 872-6700

AUG 15 3 07 PM '94
FEDERAL BUREAU OF INVESTIGATION
OFFICE OF THE ATTORNEY GENERAL

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf
before the Commission.

8/12/94
Date

Geoffrey Aronow
Signature

RESPONDENT'S NAME: GREGORY LUTF

ADDRESS: 1006 Hemlock Place
HUNTINGDON VILLY, PA 19006

TELEPHONE: HOME: _____
BUSINESS(_____) _____

95043684453

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4019

NAME OF COUNSEL: Geoffrey Aronov, Sonia Fois, Susan Chertkof

ADDRESS: Arnold & Porter

1200 New Hampshire Avenue, N.W.

Washington, D.C. 20036

TELEPHONE: (202) 872-6700

REC'D
AUG 15 3 08 PM '94
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

8/12/94
Date

[Signature]
Signature

RESPONDENT'S NAME: DERON JUSTIN RUBY

ADDRESS: 174 SECREL COURT

TELFORD PA 18969

TELEPHONE: HOME

BUSINESS (215) 862-1500

95043684454

STATEMENT OF DESIGNATION OF COUNSEL

NUR 4019

NAME OF COUNSEL: Geoffrey Aronov, Sonia Fois, Susan Chertkof

ADDRESS: Arnold & Porter
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

TELEPHONE: (202) 872-6700

AUG 15 3 08 PM '94
RECEIVED
FEDERAL BUREAU OF INVESTIGATION
OFFICE OF THE ATTORNEY GENERAL

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf
before the Commission.

8-12-94
Date


Signature

RESPONDENT'S NAME: DAVE GROSS

ADDRESS: 1509 A MAICY PL.
Phila PA 19115

TELEPHONE: HOME
BUSINESS (215) 335-5050

95043684455

STATEMENT OF DESIGNATION OF COUNSEL

NUR 4019

NAME OF COUNSEL: Geoffrey Aronow, Sonia Fois, Susan Chertkof

ADDRESS: Arnold & Porter

1200 New Hampshire Avenue, N.W.

Washington, D.C. 20036

TELEPHONE: (202) 872-6700

AUG 15 3 08 PM '94
FEDERAL BUREAU OF INVESTIGATION
OFFICE OF THE ATTORNEY GENERAL

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf
before the Commission.

8/15/94
Date

[Signature]
Signature

RESPONDENT'S NAME: Gregory W. McCalla

ADDRESS: 340 Pleasant Run Rd

Branchburg NJ 08853

TELEPHONE: HOME

BUSINESS (215) 862 1500

95043684456

ARNOLD & PORTER

1200 NEW HAMPSHIRE AVENUE, N. W.
WASHINGTON, D. C. 20036
(202) 872-6700

CABLE: "ARFDPD"
TELECOPIER: (800) 872-6700
TELEX: 80-8733

1700 LINCOLN STREET
DENVER, COLORADO 80202
(303) 863-1800

PARK AVENUE TOWER
65 EAST 55TH STREET
NEW YORK, NEW YORK 10022-3318
(212) 760-8000

GEOFFREY P. ARONOW
DIRECT LINE: (202) 872-6887

August 15, 1994

VIA FAX

Mary L. Taksar, Esq.
Joan McNery, Esq.
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 4019

Dear Ms. Taksar and Ms. McNery:

As the Designation of Counsel forms you should have received earlier by fax indicate, my firm has been retained to represent Daniel Borislow, Emanuel Dettalo, David Gross, Jason Januszelli, Kevin Kelly, James Logan, Greg Luff, Gary McCulla, Pete Norrison, Deron Ruby and Raymond Battistini in connection with the above-captioned matter. I am writing to request an extension of time to file a response to Mr. Murray's complaint.

I believe our response is presently due next Tuesday, August 23. I request an extension of time to respond until Monday, September 19. This is a slightly longer extension than may be ordinarily allowed; however, there are two factors here that I believe support this request. First, we are representing 11 individuals. It will take some substantial time to determine the appropriate response or responses for that many individuals and to work through the logistics of production and approval of the response(s). Second, the timing is such -- Mid-August -- that the task is significantly complicated by pre-existing vacation plans.

Ordinarily, I would have spoken with you about this request before making it in writing. However, since I was unable to reach either of you today, under the circumstances I wanted to make sure you had the request at the earliest possible time. Please feel free to call me or my colleagues, Sonia Fois (872-5751) or

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
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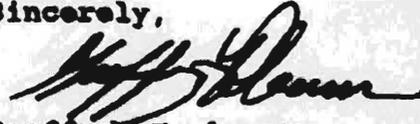
ARNOLD & PORTER

Mary L. Takser, Esq.
Joan McNery, Esq.
August 16, 1994
Page 2

Susan Chertkof (728-2160), if you have any questions or need any further information.

Thank you for your consideration.

Sincerely,



Geoffrey F. Aronow

95043684458

GREENWOOD for CONGRESS

18 East Court Street ■ Doylestown, Pennsylvania 18901 ■ (215) 230-9212

August 16, 1994

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
AUG 22 2 15 PM '94

Mary L. Taksar, Esquire
General Counsel's Office
Federal Election Commission
999 Street, NW
Washington, DC 20463

Re: **Greenwood for Congress**
MUR 4019

Dear Ms. Taksar:

I have received your letter of August 4, 1994 along with the enclosure. I would suggest to you that Mr. Murray's complaint is unfounded, improper and politically motivated. I have personally reviewed this matter and I am satisfied that there has been no improper conduct on the part of any of the volunteers or workers of Greenwood for Congress. Please accept this letter and its enclosures as a response to your inquiry.

The complaint referenced in your letter was filed by a candidate for Congress running against Congressman Greenwood. His allegation to you is based on newspaper articles and is apparently an attempt to generate a campaign issue. I am enclosing certain documents for your review and consideration and will refer to them in the order in which I have organized them.

The first document is the press release issued by Murray for Congress dated July 22, 1994 which is obviously a campaign piece lacking in substance for the reasons set forth in the written statement issued by Greenwood for Congress dated July 22, 1994. A copy of that statement is also enclosed.

In his complaint directed to your office, Mr. Murray makes reference to our Committee's "report of receipts and disbursements." He is correct when he points out that we have fully and appropriately disclosed all of our contributions including the individual contributions he now complains about. Each of those employees contributed One Thousand Dollars (\$1,000.00) to the campaign.

Paid for by Greenwood for Congress, Robert O. Baldi, Esq., Treasurer

95043684409

Mary L. Taksar, Esquire
August 16, 1994
Page Two

Mr. Murray's next paragraph states "money orders are the same as cash, and therefore, are subject to an amount limit of Fifty Dollars (\$50.00) per individual contributor." As you know, he is legally incorrect. The bookkeeper who physically received the contributions took it upon herself to call independent legal counsel for an opinion as to whether or not money orders were acceptable. Independent legal counsel advised her that money orders were acceptable. I was not made aware of this situation when the money orders first arrived and only became aware of this issue when it became part of a press release. Nonetheless, I agree with our bookkeeper and the advice of independent legal counsel. 11 CFR 110.4 (c) references "cash contributions" and specifically refers to them as "currency of the United States, or of any foreign country, which in the aggregate exceed \$100.00." Mr. Murray is incorrect as to the legal limit of the amount as well as the form.

In his next paragraph, Mr. Murray states that these contributions "appear to have been made in the employee's name on behalf of someone else, virtually making them corporate contributions which are also in violation of the Election Code." I am enclosing with this letter copies of eleven separate letters individually signed by the contributors which our bookkeeper felt clearly confirmed the individual nature of the contributions. I agree with her assessment in that regard and believe that these letters refute Mr. Murray's assessment for what he refers to as "an appearance of an improper contribution made in violation of the Election Code."

For your further information I am providing with this letter a copy of a thank you letter that goes out with all contributions. This particular letter is dated August 8, 1994 and was generated at my request as an example of the thank you letter that gets sent to all contributors. After these contributions were received, these individual thank you letters were sent to each individual contributor. We do not keep a copy of every thank you letter we send out but I have confirmed with the bookkeeper that our form letter was sent to each of these individuals. It should be noted that none of the individuals have ever suggested to us that these contributions were anything but individual contributions made by them in their own right.

Nonetheless, it should be further noted that Congressman Greenwood has placed upon his campaign committee a self-imposed restriction from taking PAC contributions. He is sincerely using all best efforts to unilaterally bring about change in the campaign contribution law by imposing restrictions on his own Committee. I suggest that the motive for the Complaint was really an attack on

95043684460

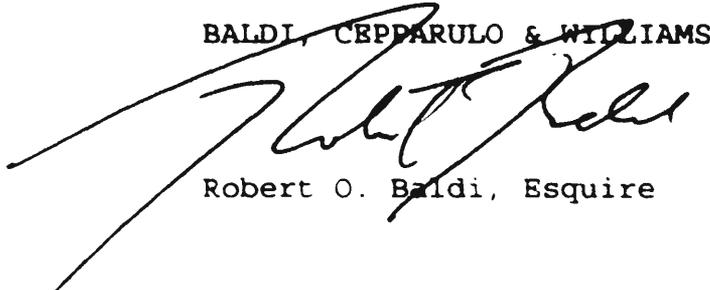
Mary L. Taksar, Esquire
August 16, 1994
Page Three

this self-imposed rule. I suggest that Mr. Murray is really simply trying to argue that Congressman Greenwood is effectively accepting PAC money in some roundabout way.

When this was brought to my attention I immediately reviewed the list of contributors and the contributions and concluded that the receipt of the contributions as made was inconsistent with the self-imposed restrictions Congressman Greenwood placed upon the Committee. I have, therefore, already returned all the contributions to each of the individual contributors. I am enclosing copies of my letters all dated July 20, 1994 along with the checks issued which are self-explanatory. (I have in my possession post office mailing receipts for each letter sent dated July 20, 1994 as proof of mailing.) Each individual has already had their contribution returned to them. Our intent is to restrict ourself over and beyond the requirements of the Election Code and the Campaign Financing Law. Unfortunately, within the course of a campaign, no matter how hard you try your opponent can still make baseless accusations for media attention.

Very truly yours,

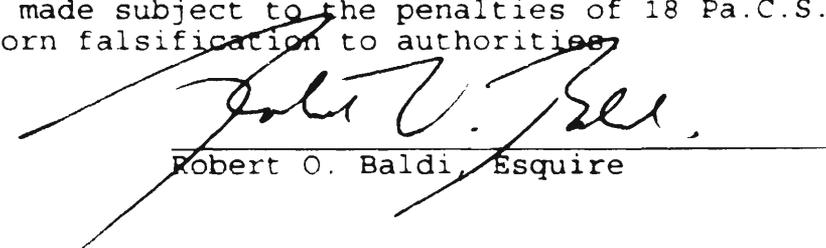
BALDI, CEPPARULO & WILLIAMS, P.C.



Robert O. Baldi, Esquire

ROB:sh
Enclosures

I verify that the statements made herein are true and correct to the best of my knowledge, information and belief and that false statements herein are made subject to the penalties of 18 Pa.C.S. 4904 relating to unsworn falsification to authorities.



Robert O. Baldi, Esquire

95043684461

FROM : MURRAY for CONGRESS

PHONE NO. : 215 321 3814

Jul. 22 1994

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JUL 22 2 15 PM '94

MURRAY FOR CONGRESS

P.O. Box 284
Washington Crossing, PA 19377
(215) 321-3814

July 23, 1994

FOR IMMEDIATE RELEASE
Contact: DC Maggerty 331-3014

FEDERAL PROBE CALLED FOR IN GREENWOOD CAMPAIGN

John P. Murray, Democratic candidate for Congress in Bucks County, today called for a federal investigation into the financial activities of the Greenwood for Congress Committee. This request was prompted by the disclosure of questionable contributions received from a New Hope telephone services company and the admitted "quid-pro-quo" which generated them.

"If Congressman Greenwood had heeded my suggestions made five months ago about campaign financing, he wouldn't be back-peddling now on this Tel-Save matter," said Murray. At the time of the announcement of his candidacy, Murray challenged Greenwood to limit campaign financing to contributions from only Bucks residents as well as a funding cap of \$250,000. Greenwood rebuffed the challenge and declared his limit would be \$500,000.00. All but one of the Tel-Save contributors lives outside the Congressional District.

"Today I have requested the Federal Election Commission to look into this matter as well as the total campaign funding practices of Jim Greenwood. Both the Congressman and the Chief Executive Officer of Tel-Save admit that money was given for personal receiver and/or provided." continued Murray. "To use the Congressman's own words," said the challenger, "Government officials must hand over backwards to avoid the appearance that government is for sale", but it seems this government official leaped forward and took the money. If we hadn't pursued this situation publicly, Jim never would have attempted to return this series of fraudulent contributions. He's held them on camera for three months!"

"The citizens of this district deserve better than this," Murray stated. "We want honest campaign practices, not the phony platitudes of an arrogant politician just out to get the money."

*1 - Oshin
2 - [unclear]
3 - [unclear]
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95043684463

GREENWOOD for CONGRESS

P.O. Box 2358 ■ Doylestown, Pennsylvania 18901 ■ (215) 230-7556

July 22, 1994

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
JUL 22 2 15 PM '94

WRITTEN STATEMENT BY GREENWOOD FOR CONGRESS

Earlier today our campaign received a copy of a letter issued by our opponent asking the Federal Elections Commission to review our campaign's fund raising practices. This request is apparently based upon reports of a decision taken by our campaign to voluntarily return eleven thousand dollars in donations which we received from eleven employees of a firm located in the eighth Congressional district.

As we have consistently maintained the highest standards and practices in our campaign operations we welcome any responsible review of them.

However this request was accompanied by a press release that contains a series of baseless allegations; among which is the charge that we knowingly accepted corporate contributions. For this reason we are issuing the following response.

First, the authenticity of each individual contribution was supported by a signed letter from each of the individuals making a donation, identifying the amounts to be contributed.

Next, the contributions were received in legal form, as confirmed at the time by outside independent legal counsel.

Finally, each of the contributors received a personal thank you note from the campaign thanking them for their individual contributions.

These practices, which were instituted by our campaign, are designed to insure, to the best of our ability, that contributions we receive are from interested individuals in their private capacity. It should be noted that at no time, and with ample opportunity, did any of these individuals declare that the contributions they made were not their own.

It should also be noted that our opponent made a far more serious, slanderous and probably actionable charge that the contributions were made to secure personal favors.

Paid for by Greenwood for Congress, Robert O. Baldi, Esq., Treasurer

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*: The reputation and character of Jim Greenwood over 14 years of public service to the people of Bucks County makes nonsense of such a charge. Nevertheless, for the record, Mr. Greenwood has spent no more than twenty minutes with the president of the company in question. His only action on behalf of this individual was to draft a letter of inquiry to a federal regulatory agency with regard to enforcement practices of a general nature. The letter did not mention the firm by name. Further, prior to sending the letter, it was reviewed by Congressional Committee staff expressly for the purpose of their approval - a practice regularly used by Mr. Greenwood to insure that no correspondence issued by his office can be construed as an attempt to unduly influence decisions made by any of the three branches of government. A copy of this letter is attached.

*: And yet, in his press release, our opponent stated "Both the Congressman and the Chief Executive Officer of Tel-Save admit that the money was given for favors received and or promised." No one has ever made such a statement except our opponent. This lie was no doubt included in the press release in hopes that it would be printed by the newspapers in such a way as to lend it the credibility of responsible journalism. Neither party ever said this, nor is there any reason to believe that either party would.

This practice of the Big Lie, so common in the big city union politics in which our opponent has spent his entire adult life, simply doesn't play in our district.

While it is correct that our campaign did determine to return the contributions to these individuals, our decision rests upon high standards we ourselves have imposed. This should come as no suprise.

Since his election to Congress in 1992, Jim Greenwood has turned away hundreds of thousands of dollars in potential and perfectly legal campaign contributions. While his pledge not too accept donations from Political Action Committees (PACS) has played a large part in this, he has turned down money from the National Republican Party as well.

The seriousness of this commitment is easily evidenced by the level of contributions raised by the Democrat candidate for Congress in our neighboring district. Both Margerie Margolis Mesvinsky and Jim Greenwood are both freshmen members of Congress. Both are on the same committee- Energy and Commerce. Ms. Mesvinsky takes PAC contributions, Mr. Greenwood does not. On July 15, 1994 she had raised nearly \$400,000. Our campaign had only raised roughly \$100,000 by that date.

In the end, we decided to return the contributions as a result of a recommendation by our campaign treasurer who

noted the small size of the firm, relative to the number of contributors. As our Treasurer Mr. Robert O. Baldi Esq. stated, "We don't want even a suggestion of impropriety, or any suggestion that we have done anything inconsistent with the position Congressman Greenwood has taken to shun PAC contributions."

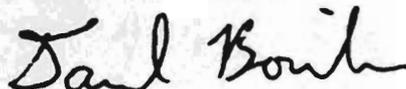
95043684466

April 13th, 1994
Congressman James C. Greenwood
Congress of the United States
House of Representatives
Washington, DC 20515-3808

Dear Congressman Greenwood:

Enclosed please find my contribution of \$ 1000.00 towards your reelection campaign. I hope you continue in your efforts in supporting the legislative issues which are so important to myself and our community.

Sincerely Yours



Daniel M. Borislow
President
Tel-Save
22 Village Square
New Hope, PA 18938

95043684467

April 13th, 1994
Congressman James C. Greenwood
Congress of the United States
House of Representatives
Washington, DC 20515-3808

Dear Congressman Greenwood:

Enclosed please find my contribution of \$ 1000.00 towards your reelection campaign. I hope you continue in your efforts in supporting the legislative issues which are so important to myself and our community.

Sincerely Yours


Gary W. McCulla
V.P. Marketing
Tel-Save
22 Village Square
New Hope, PA 18938

950436844468

April 13th, 1994
Congressman James C. Greenwood
Congress of the United States
House of Representatives
Washington, DC 20515-3808

Dear Congressman Greenwood:

Enclosed please find my contribution of \$ 1000.00 towards your reelection campaign. I hope you continue in your efforts in supporting the legislative issues which are so important to myself and our community.

Sincerely Yours



Greg Luff
Operations Manager
Tel-Save
22 Village Square
New Hope, PA 18938

950436844469

April 13th, 1994
Congressman James C. Greenwood
Congress of the United States
House of Representatives
Washington, DC 20515-3808

Dear Congressman Greenwood:

Enclosed please find my contribution of \$ 1000.00 towards your reelection campaign. I hope you continue in your efforts in supporting the legislative issues which are so important to myself and our community.

Sincerely Yours



David Gross
Provisioning Manager
Tel-Save
22 Village Square
New Hope, PA 18938

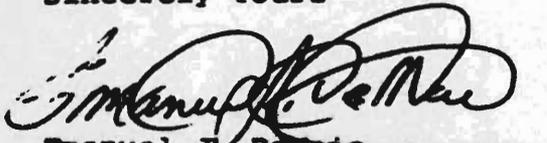
95043684470

April 13th, 1994
Congressman James C. Greenwood
Congress of the United States
House of Representatives
Washington, DC 20515-3808

Dear Congressman Greenwood:

Enclosed please find my contribution of \$ 1000.00 towards your reelection campaign. I hope you continue in your efforts in supporting the legislative issues which are so important to myself and our community.

Sincerely Yours



Emanuel J. Demais
Director Operations
Tel-Save
22 Village Square
New Hope, PA 18938

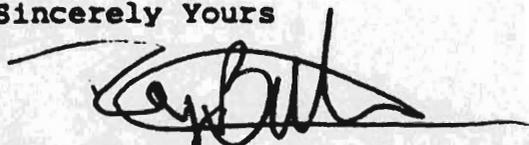
95043684471

April 13th, 1994
Congressman James C. Greenwood
Congress of the United States
House of Representatives
Washington, DC 20515-3808

Dear Congressman Greenwood:

Enclosed please find my contribution of \$ 1000.00 towards your reelection campaign. I hope you continue in your efforts in supporting the legislative issues which are so important to myself and our community.

Sincerely Yours



Ray Battistini
Collections Manager
Tel-Save
22 Village Square
New Hope, PA 18938

250436844 / 2

April 13th, 1994
Congressman James C. Greenwood
Congress of the United States
House of Representatives
Washington, DC 20515-3808

Dear Congressman Greenwood:

Enclosed please find my contribution of \$ 1000.00 towards your reelection campaign. I hope you continue in your efforts in supporting the legislative issues which are so important to myself and our community.

Sincerely Yours



Kevin Kelly
Controller
Tel-Save
22 Village Square
New Hope, PA 18938

95043684473

April 13th, 1994
Congressman James C. Greenwood
Congress of the United States
House of Representatives
Washington, DC 20515-3808

Dear Congressman Greenwood:

Enclosed please find my contribution of \$ 1000.00 towards your reelection campaign. I hope you continue in your efforts in supporting the legislative issues which are so important to myself and our community.

Sincerely Yours



James Logan
Compliance Manager
Tel-Save
22 Village Square
New Hope, PA 18938

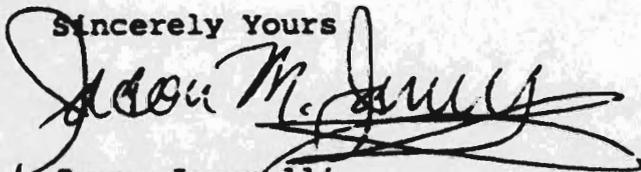
95043684474

April 13th, 1994
Congressman James C. Greenwood
Congress of the United States
House of Representatives
Washington, DC 20515-3808

Dear Congressman Greenwood:

Enclosed please find my contribution of \$ 1000.00 towards
your reelection campaign. I hope you continue in your efforts in
supporting the legislative issues which are so important to myself
and our community.

Sincerely Yours



Jason Januzelli
Customer Service Representative
Tel-Save
22 Village Square
New Hope, PA 18938

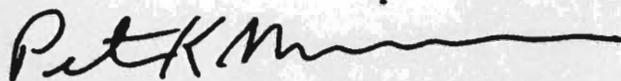
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April 13th, 1994
Congressman James C. Greenwood
Congress of the United States
House of Representatives
Washington, DC 20515-3808

Dear Congressman Greenwood:

Enclosed please find my contribution of \$ 1000.00 towards
your reelection campaign. I hope you continue in your efforts in
supporting the legislative issues which are so important to myself
and our community.

Sincerely Yours



Pete Morrison
MIS Director
Tel-Save
22 Village Square
New Hope, PA 18938

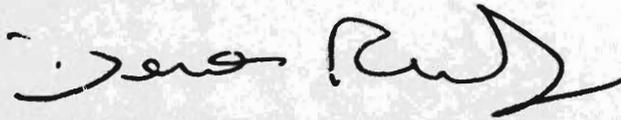
95043684476

April 13th, 1994
Congressman James C. Greenwood
Congress of the United States
House of Representatives
Washington, DC 20515-3808

Dear Congressman Greenwood:

Enclosed please find my contribution of \$ 1000.00 towards
your reelection campaign. I hope you continue in your efforts in
supporting the legislative issues which are so important to myself
and our community.

Sincerely Yours



Derron Ruby
MIS Manager
Tel-Save
22 Village Square
New Hope, PA 18938

95043684477

GREENWOOD for CONGRESS

P.O. Box 2358 ■ Doylestown, Pennsylvania 18901 ■ (215) 230-7556

August 8, 1994

NAME
Address
Address

Dear

Thank you for your recent contribution to my campaign. I want you to know how much I appreciate your support for my efforts to reform Congress.

My 1992 decision to refuse Political Action Committee (PAC) money was tough, but I believe people are tired of politicians who pay lip service to reform yet fail to provide leadership to bring it about. I want to provide that leadership, but it is only possible because of the generosity and the commitment of people like you.

I plan an aggressive 1994 campaign against my Democrat opponent, who has unfortunately not shown much respect for the truth. I hope that I will see you as I meet with people from throughout Bucks and Montgomery Counties. Until then, please contact me with any comments you may have on the issues or the campaign.

Thank you again for your confidence.

Most sincerely,

Jim Greenwood

95043684478



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUGUST 24, 1994

Geoffrey F. Aronow, Esq.
Arnold & Porter
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

RE: MUR 4019
Daniel Borislow, Emanuel DeMaio,
David Gross, Jason Januzelli,
Kevin Kelly, James Logan,
Greg Luff, Gary McCulla,
Pete Morrison, Deron Ruby and
Raymond Battistini

Dear Mr. Aronow:

This is in response to your letter dated August 15, 1994, requesting an extension until September 19, 1994 to respond to the complaint filed in the above-noted matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on September 19, 1994.

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

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

950436844/9

STATEMENT OF DESIGNATION OF COUNSEL

FEDERAL BUREAU OF INVESTIGATION
OFFICE OF THE ATTORNEY GENERAL

MUR 4019

SEP 2 2 36 PM '94

NAME OF COUNSEL: Lyn Uznicht

Oliver, Ryan & Leonard

ADDRESS: 618 Connecticut Avenue, NW

Washington, DC 20006

TELEPHONE: (202) 728-1010

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

5/8/94
Date

David Borislav
Signature

RESPONDENT'S NAME: Daniel Borislav

ADDRESS: 10 Riverstone Circle
New Hope PA 18938

TELEPHONE: HOME

BUSINESS (215) 862-1503

95043684480

Affidavit of Daniel Borislav

I, Daniel Borislav, being duly sworn, state as follows:

1. I am President of Tel-Save, Inc., an S corporation organized under the laws of the State of Pennsylvania. I hold a majority of the shares of stock of the corporation.

2. In April of 1994, Tel-Save loaned \$1,000 each to eleven employees of Tel-Save, including myself, for the purpose of making individual contributions of \$1,000 to Greenwood for Congress Committee.

3. Each individual voluntarily chose to make a contribution from his personal funds and the contributions were made by money orders with accompanying cover letters signed by each individual contributor.

4. It was the understanding of each individual that the loans would be repaid to the company, and all of the loans, except one, were repaid to the company in July of 1994.

5. I had no idea that a corporate loan to an employee could in any way be considered an improper contribution from the corporation. It is my practice at Tel-Save to loan funds to employees for personal purposes and I believed these loans were proper personal loans to employees just as others I have made in the past for personal reasons. At this time, for example, Tel-Save has outstanding loans to several employees and former employees for personal reasons.

6. Neither I nor Tel-Save have ever previously loaned funds to anyone for political purposes.

7. Neither I nor Tel-Save intended to violate any provision of the Federal Election Campaign Act or the Federal Election Commission regulations.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 16 day of September 1994.

Daniel Borislav
Daniel Borislav

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
SEP 20 9 40 AM '94

95043684481

9 5 0 4 3 6 8 4 4 8 2

09-16-94 05:17PM

GREGORY E. LUFF
1000 HENLOCK PL
MUNTSWAGON VALLEY, PA 19007

7/13 1994 377
8-2728

Pay to the
order of

Tel. Sav
One thousand and 00/100

\$ 1,000.00

DOLLARS

Meridian BANK

[Signature]

[Redacted]

DAVID GROSS
1823A MARCEY PLACE
PHILADELPHIA PA 19115

303

7-14 1994 355

PAY TO THE
ORDER OF

Tel SAVP

One thousand and 00/100

\$ 1,000.00

DOLLARS

Meridian
Bank

[Signature]

[Redacted]

JAMES J. LOGAN
KAREN A. LOGAN
22 W DEPOT ST.
HELLERTOWN, PA 19008

375

7-15 1994 375

PAY TO THE
ORDER OF

Tel. Sav

One thousand and 00/100

\$ 1,000.00

DOLLARS

Meridian
Bank

[Signature]

[Redacted]

P02

9 5 0 4 3 6 8 4 4 8 3

09-16-94 05:17PM

KATHLEEN SUZANNE OGDEN
DENISE JUSTIN MARY
AND IN YORK ROAD UNIT 24
HARRISBURG, PA 17104

Meridian Bank

ONE THOUSAND

TEL-SAVE

\$ 100.00

100/100 DOLLARS

7/11 " 94

320

1869

7/11/94

\$ 100.00

100/100 DOLLARS

THE PROVIDENT SAVINGS BANK
MILL BROADWAY TOWNSHIP OFFICE
CHECK PROCESSING CENTER
400 BRIDGE AVE. JERSEY CITY NJ 07310

APPROVED BY: [Signature]

527

July 11 1994

\$ 1,000.00

ONE THOUSAND 00/100

Tel-Save

Meridian Bank

Daniel Frank
Referred of loan

P03

9 5 0 4 3 6 8 4 4 3 4

GARY McCULLA
108 MILLTOWN ROAD 208 219-1126
BRIDGEWATER NJ 08807

130
03-71/38

7/15 1994

PAY TO THE ORDER OF _____ \$ _____

_____ DOLLARS

Backs County Bank
PERKASE, PA 18804

MEMO: _____

 PETER K. MORRISON
408 FRANKLIN ST
LANSDALE, PA 19448

3900

7-13 1994

PAY TO THE ORDER OF TEL-SAVE, INC. \$1,000.00

one thousand and 00/100 ~~00/100~~

 Mellon PSFS.
Member FDIC

MEMO: _____
Peter K Morrison

JASON M. JANIZELLI
122 W 187 AVE.
CONSHOHOCKEN, PA 19488

225

7/15 1994

PAY TO THE ORDER OF Telsave, Inc. \$1,000.00

One Thousand _____ 00 DOLLARS

 Meridian
Bank

MEMO: _____
Jason M. Janizelli

09-16-94 05:17PM

204

9 5 0 4 3 6 8 4 4 8 5

KEVIN KELLY
22 PITMANERTOWN RD. #3
WILLOW GROVE, PA 19080

1143

July 15 10 1994

Pay to the order of Tct-Save Inc. \$ 1,000.00

one thousand ^{00/100} dollars

 Mellon PSFS
PITMANERTOWN, PA

Kevin Kelly






OLDAKER, RYAN & LEONARD
ATTORNEYS AT LAW
818 CONNECTICUT AVENUE, N.W.
SUITE 1100
WASHINGTON, D.C. 20008

(202) 728-1010
FACSIMILE (202) 728-4044

RECEIVED
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COMMISSION
ADMINISTRATIVE

SEP 19 4 48 PM '94

September 19, 1994

SEP 20 9 40 AM '94

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

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

Re: MUR 4019, Tel-Save, Daniel Borislow,
Emanuel DeMaio, David Gross, Jason
Januzelli, Kevin Kelly, James Logan, Greg
Luff, Gary McCulla, Pete Morrison, Deron
Ruby, Raymond Battistini

Dear Mr. Noble:

This letter is submitted in response to the above-referenced complaint on behalf of Tel-Save. Daniel Borislow, Emanuel DeMaio, David Gross, Jason Januzelli, Kevin Kelly, James Logan, Greg Luff, Gary McCulla, Pete Morrison, Deron Ruby and Raymond Battistini. The complaint, filed by John P. Murray, alleges that contributions made by the eleven named individuals to Congressman Jim Greenwood were improperly made by money order and that they appear to have been made in the employees' names on behalf of someone else. For the reasons set forth below, this complaint is without merit and should be dismissed.

1. The complaint is incorrect in its assertion that the use of money orders is limited to \$50 per individual contributor.

The complainant, although he is apparently a candidate for Federal office, mistakenly believes that money orders are considered "cash" contributions and that cash contributions are limited to \$50. The complaint is incorrect on both counts. Under the Commission's regulations, cash is defined as a contribution of "currency". 11 C.F.R. § 110.4(c). Money orders are considered "written instruments" as are checks. 11 C.F.R. § 104.8(c). See also 11 C.F.R. § 9034.2(b)(defining "written instrument" as including "money orders" for purposes of matchable contributions).

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The complaint is further incorrect in its assertion that cash contributions are limited to \$50. The limit on cash is \$100 per person per election. 11 C.F.R. § 110.4(c). Thus, there is no merit to this allegation.

2. The complaint is further incorrect that the contributions were made in the employees' names on behalf of someone else.

The complainant provides no evidence in support of his allegation that these contributions were not made by the individual Tel-Save employees. The contributions were voluntary individual contributions from eleven Tel-Save employees who believe that their occupations could be affected by significant legislation before Congress affecting the telecommunications industry. As a result, they decided to assist the fundraising efforts of their local member of Congress who has held positions favorable to their industry.

None of these individuals has previously contributed to candidates for Federal office and none of them were familiar with the Federal election laws. The money orders were purchased in order to expedite the making of the contributions. Each individual signed a letter forwarding the contribution to the candidate, making clear that he intended to make a personal contribution to Greenwood from his personal funds.

Unfortunately, because of their lack of previous political experience and lack of knowledge of the law, there was a technical problem with the manner in which the contributions were made. Tel-Save through its President, Daniel Borislow, has a history of loaning funds to employees for personal reasons. For example, Tel-Save funds have been loaned to employees to embark on new business ventures as well as to assist employees in home purchases and for other personal reasons. At this time, Tel-Save has loans outstanding to several employees and former employees amounting to thousands of dollars. Thus, in order to expedite the making of these contributions, Tel-Save loaned the funds to each employee. See the attached Affidavit of Daniel Borislow. Neither Daniel Borislow, nor any of the other employees had any idea that there would even be a question as to whether these contributions were made from personal funds of the employees. Each employee intended to and, with one exception did, repay the loan to the company over two months ago, well before any question was raised as to the circumstances surrounding the making of these contributions.¹ Copies of their refund checks are attached to this response. Tel-Save has never previously loaned funds to anyone for the purpose of making political contributions.

In addition, approximately one week after the loans to Tel-Save were repaid, the Greenwood for Congress Committee refunded the contributions to all eleven individuals.

¹ One employee, Ray Battistini, who left the company shortly after the contribution was made, has not repaid the loan to the company as of this time.

95043684437

Under the circumstances described above these loans should not be considered either a corporate contribution, nor a contribution in the name of another. While the FEC regulations make clear that loans to candidates or their committees are contributions, the regulations do not expressly state that loans to individuals are contributions if the individuals contribute those funds to a candidate. In light of the Tel-Save practice of making personal loans to employees, it is not surprising that this question would not even occur to individuals who are not experienced contributors.

Similarly, while the FECA prohibits making a contribution in the name of another, the FEC regulations implementing this provision do not address the loan of funds to make a contribution. These contributions were not "in the name of another" under 11 C.F.R. § 110.4(b)(1) because each individual intended to and believed he was making the contribution from his own personal funds. This is supported by the fact that the loans were³ repaid prior to the time that any questions were raised regarding the contributions.² Moreover, the Commission's examples of "contributions in the name of another" at 11 C.F.R. § 110.4(b)(b)(2) describe situations in which funds are **given** to someone to make a contribution, not to situations in which funds are **loaned** and promptly repaid. Thus, while the respondents have now been advised that neither Tel-Save nor they as individuals should loan funds to anyone for the purpose of making contributions, rules in this regard are not entirely clear.

Further, even if the Commission concludes that a technical violation occurred, this matter does not warrant further action for the following reasons. First, the individuals intended to make the contributions from their own personal funds and fully believed that a loan from Tel-Save (which each intended to repay) represented their own funds. Second, Tel-Save has a history of loaning funds for personal uses to numerous current and former employees, including some of these contributors, and this practice was well known to other Tel-Save employees. Third, the loans were repaid to Tel-Save prior to the time that any question was raised regarding these contributions, thus indicating both that the contributions were truly from the individual contributors and that they considered the Tel-Save funds as personal loans. Fourth, these individuals are not politically active and were not familiar with the requirements of the law. When Mr. Borislow discussed the contributions with the representative of the Greenwood campaign, he was given no guidance as to the rules. Finally, the Greenwood campaign refunded the individual contributions in July, nearly two months ago. Thus, any inadvertent technical problem with the contributions was remedied some time ago.

² Mr. Battistini's employment situation changed subsequent to the making of the contribution, and, although he has not yet repaid Tel-Save, he considers the funds to be an outstanding personal loan.

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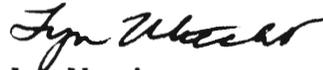
MUR 4019
Page 4

For these reasons, the Commission should take no further action with regard to this matter. Because the funds have been repaid and refunded, any inadvertent mistakes have been fully corrected and remedied, and the individuals involved will seek advice prior to making any further contributions to Federal candidates.

In the event that the Commission determines to take further action in this matter, the respondents hereby request pre-probable cause conciliation.

If you have any questions, or if I can provide any additional information, please let me know.

Sincerely,


Lyn Utrecht

95043684469

RECEIVED
FEDERAL ELECTION
COMMISSION
ADMINISTRATIVE DIVISION

SEP 19 4 48 PM '94

STATEMENT OF DESIGNATION OF COUNSEL

MUR: 4019

NAME OF COUNSEL: Lyn Utrecht

ADDRESS: Oldaker, Ryan & Leonard
818 Connecticut Avenue, NW #1100
Washington, DC 20006

TELEPHONE: (202) 728-1010

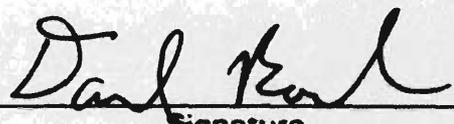
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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

95043684490

The above-named individual/individuals is/are hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

9/13/94
Date


Signature

RESPONDENT'S NAME: Tel-Save, Inc.
Daniel Borislav, President

ADDRESS: 22 Village Square
New Hope, PA 18938

BUSINESS PHONE: (215) 862-1503

STATEMENT OF DESIGNATION OF COUNSEL

MUR: 4019

NAME OF COUNSEL: Lyn Utrecht
Oldaker, Ryan & Leonard

ADDRESS: 818 Connecticut Ave., NW #1100
Washington, DC 20006

TELEPHONE: (202) 728-1010

SEP 20 9 41 AM '94

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

The above-named individual/individuals is/are hereby designated as my
counsel and is authorized to receive any notifications and other communications
from the Commission and to act on my behalf before the Commission.

Date


Signature

RESPONDENT'S NAME: Gary McCulla

ADDRESS: 340 Pleasant Run Rd
Branchburg NJ 08853

BUSINESS PHONE: 215 862 1504

95043684491

STATEMENT OF DESIGNATION OF COUNSEL

MUR: 4019

NAME OF COUNSEL: Lyn Utrecht

ADDRESS: Oldaker, Ryan & Leonard
818 Connecticut Avenue, NW #1100
Washington, DC 20006

TELEPHONE: (202) 728-1010

SEP 20 9 41 AM '94

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

95043684492

The above-named individual/individuals is/are hereby designated as my
counsel and is authorized to receive any notifications and other communications
from the Commission and to act on my behalf before the Commission.

9/13/94
Date


Signature

RESPONDENT'S NAME: Emanuel DeMaio

ADDRESS: 73 Buckland Drive
Neshanic Station, NJ 08853

BUSINESS PHONE: ~~908~~ 215-862-1508

STATEMENT OF DESIGNATION OF COUNSEL

MUR: 4019

NAME OF COUNSEL: Lyn Utrecht

ADDRESS: Oldaker, Ryan & Leonard

818 Connecticut Avenue, NW #1100

Washington, DC 20006

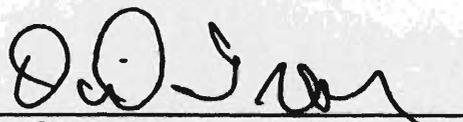
TELEPHONE: (202) 728-1010

SEP 20 9 41 AM '94

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

The above-named individual/individuals is/are hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

9-13-94
Date


Signature

RESPONDENT'S NAME: DAVE GROSS

ADDRESS: 1509 A MARCY
PHILA, PA, 19115

BUSINESS PHONE: 215-335-5050

950443684493

STATEMENT OF DESIGNATION OF COUNSEL

MUR: 4019

NAME OF COUNSEL: Lyn Utrecht

ADDRESS: Oldaker, Ryan & Leonard
818 Connecticut Avenue, NW #1100
Washington, DC 20006

TELEPHONE: (202) 728-1010

SEP 20 9 41 AM '94

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

The above-named individual/individuals is/are hereby designated as my
counsel and is authorized to receive any notifications and other communications
from the Commission and to act on my behalf before the Commission.

9/13/94
Date

James Logan
Signature

RESPONDENT'S NAME: JAMES LOGAN

ADDRESS: 32 W. Depot St.
HELLERTOWN, PA. 18055

BUSINESS PHONE: 215-862-1511

95043684494

STATEMENT OF DESIGNATION OF COUNSEL

MUR: 4019

NAME OF COUNSEL: Lyn Utrecht

ADDRESS: Oldaker, Ryan & Leonard

818 Connecticut Avenue, NW #1100

Washington, DC 20006

TELEPHONE: (202) 728-1010

SEP 20 9 41 AM '94

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

950443684495

The above-named individual/individuals is/are hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

9/13/94
Date


Signature

RESPONDENT'S NAME: DERON RUBY

ADDRESS: 174 SECKEL COURT

TELFORD PA 18969

BUSINESS PHONE: 215 - 862-1500

STATEMENT OF DESIGNATION OF COUNSEL

MUR: 4019

NAME OF COUNSEL: Lyn Utrecht

ADDRESS: Oldaker, Ryan & Leonard
818 Connecticut Avenue, NW #1100
Washington, DC 20006

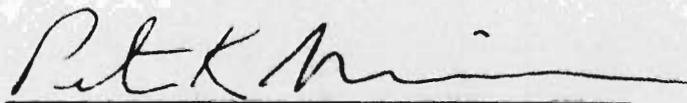
TELEPHONE: (202) 728-1010

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

The above-named individual/individuals is/are hereby designated as my
counsel and is authorized to receive any notifications and other communications
from the Commission and to act on my behalf before the Commission.

9-13-94
Date


Signature

RESPONDENT'S NAME: PETER K. MORRISON

ADDRESS: 406 FRANKLIN ST.
LANSDALE, PA 19446

BUSINESS PHONE: 215-862-1506

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STATEMENT OF DESIGNATION OF COUNSEL

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COUNSEL

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from the Commission and to act on my behalf before the Commission.

9/13/94
Date

Jason M. Januzelli
Signature

RESPONDENT'S NAME: Jason M. Januzelli

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19428

BUSINESS PHONE: (215) 862-1500

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STATEMENT OF DESIGNATION OF COUNSEL

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COUNSEL
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MUR: 4019

NAME OF COUNSEL: Lyn Utrecht

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Washington, DC 20006

TELEPHONE: (202) 728-1010

The above-named individual/individuals is/are hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

9/13/94
Date

[Signature]
Signature

RESPONDENT'S NAME: Kevin R. Kelly

ADDRESS: 22 Fitzwater town Rd. Unit B-8
W. Hill Grove, PA 19090

BUSINESS PHONE: 215-862-1246

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STATEMENT OF DESIGNATION OF COUNSEL

MUR: 4019

NAME OF COUNSEL: Lyn Utrecht

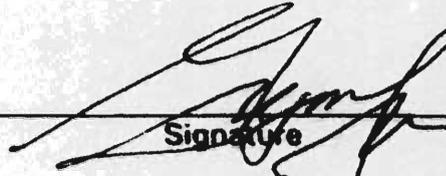
ADDRESS: Oldaker, Ryan & Leonard
818 Connecticut Avenue, NW #1100
Washington, DC 20006

TELEPHONE: (202) 728-1010

RECEIVED
REGIONAL DIRECTOR
PERSONNEL DIVISION
OFFICE OF GENERAL
COUNSEL
SEP 20 9 42 AM '94

The above-named individual/individuals is/are hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

Date 9/13/94

Signature 

RESPONDENT'S NAME: Gregory Luft

ADDRESS: 1006 Hemlock PL
Huntingdon Valley PA
19006

BUSINESS PHONE: 215-335-5050

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STATEMENT OF DESIGNATION OF COUNSEL

MUR: 4019

NAME OF COUNSEL: Lyn Utrecht

ADDRESS: Older, Ryan & Leonard
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Washington, DC 20006

TELEPHONE: (202) 728-1010

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OFFICE OF GENERAL
COUNSEL

The above-named individual/individuals is/are hereby designated as my
counsel and is authorized to receive any notifications and other communications
from the Commission and to act on my behalf before the Commission.

Date

Raymond Battisti
Signature

RESPONDENT'S NAME: RAY BATTISTINI

ADDRESS: 723 WASHINGTON PI.
WAYNE, PA 19087

BUSINESS PHONE: 610 296-8181

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FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20403

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FIRST GENERAL COUNSEL'S REPORT

MUR 4019

DATE COMPLAINT FILED: 7/29/94

DATE OF NOTIFICATION: 8/4/94

DATE ACTIVATED: 10/26/94

STAFF MEMBER: Craig D. Reffner
Susan Mitchell

COMPLAINANT: John P. Murray

RESPONDENTS: The Honorable James Greenwood
Greenwood for Congress and
Robert O. Baldi, as treasurer
Tel-Save, Inc. and
Daniel Borislow, as President
Emanuel DeMaio
David Gross
Jason Januzelli
Kevin Kelly
James Logan
Greg Luff
Gary McCulla
Peter Morrison
Deron Ruby
Raymond Battistini

RELEVANT STATUTES: 2 U.S.C. § 441b(a)
2 U.S.C. § 441f

INTERNAL REPORTS CHECKED: Disclosure Reports
Contributor Index

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

This matter was generated from a complaint by John P. Murray who questions the contributions that eleven employees from Tel-Save, Inc. ("Tel-Save") made to Congressman James Greenwood's re-election campaign in Pennsylvania's 1994 Sixth Congressional

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District. Responses have been received. Attachments A-B.¹

II. FACTUAL AND LEGAL ANALYSIS

A. Complaint

According to the complainant, a disclosure report filed with the Commission by Greenwood for Congress and Robert O. Baldi, as treasurer (collectively referred to as the "Committee"), shows that eleven employees from Tel-Save, identified above, each contributed \$1,000 to the Greenwood campaign on April 29, 1994. The complainant suggests that the contributions "appear to have been made in the employees' names on behalf of someone else virtually making them corporate contributions." The complainant also alleges that each contribution was made in the form of a money order, which, the complainant asserts is subject to a limitation of \$50, "like cash."

B. Responses

In response to the complaint, the Committee's treasurer acknowledges receiving the contributions in question on April 28, 1994. Attachment A. Respondent also acknowledges that the contributions were made in the form of money orders. He maintains, however, that all of these contributions were refunded on July 20, 1994. He further explains that he did not question the contributions when they were originally received, but that he later refunded them after the complainant issued a press release asserting that the contributions were made separately by the employees to avoid Congressman Greenwood's pledge against

1. Congressman Greenwood was re-elected in the 1994 election with 66% of the vote. His opponent, John Murray, received 27% of the vote.

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accepting contributions from political action committees. Lastly, he challenges the allegation that contributions cannot be made by money order, noting that a campaign worker contacted independent legal counsel and received confirmation that money orders were acceptable.

Counsel for Tel-Save and the eleven employees also acknowledges that the contributions were made and similarly challenges the allegation that they are impermissible because they were made by money order. She notes that under the Commission's regulations, the limit for cash contributions is \$100, not \$50 as the complainant maintains, and that in any event, money orders are not considered cash, but "written instruments." Attachment B.

With regard to the allegation that these contributions were made in the employees' names, counsel acknowledges that Tel-Save loaned \$1,000 to each of the employees so that they could in turn contribute to the Greenwood campaign. However, she asserts that the employees contributed voluntarily and that Tel-Save has a history of loaning money to its employees for personal purposes. In an affidavit attached to the response, Tel-Save's President, Daniel Borislow, states that it is a "practice at Tel-Save to loan funds to employees for personal purposes and I believed these loans were proper personal loans to employees just as others I have made in the past for personal reasons." Id. (affidavit of Borislow). According to counsel, Tel-Save has outstanding loans to several current and former employees. Counsel also notes that, with the exception of one employee, the loans have all been refunded. Attached to this response are copies of checks from ten

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Tel-Save employees, dated between July 11 and July 15, 1994, all made payable to Tel-Save. Attachment B.

Counsel argues that under the circumstances, Tel-Save made neither a corporate contribution nor a contribution in the name of another. She posits that "while the [Commission's] regulations make clear that loans to candidates or their committees are contributions, the regulations do not expressly state that loans to individuals are contributions if the individuals contribute those funds to a candidate." Id. She also asserts that "each individual intended to and believed he was making the contribution from his own personal funds" and, with the exception of one employee, repaid the loans prior to the time that any questions were raised. Counsel also states that the examples of 'contributions in the name of another' at 11 C.F.R. § 110.4(b)(2) describe situations in which funds are given to someone to make a contribution, not to situations in which funds are loaned and promptly repaid." Id. at 3 (emphasis in original).

Counsel also requests that, in the event the Commission finds reason-to-believe that a violation occurred, the Commission should, under the circumstances, take no further action. Counsel points to a variety of factors, including the repayment of the loans as well as the assertion that the individuals involved were purportedly unfamiliar with the election process.² Counsel further requests, in the event the Commission decides to pursue

2. The Commission's contributor index shows that between 1986 and the present none of the eleven Tel-Save employees made any contributions in connection with a Federal election, except for the contributions to the Greenwood campaign.

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this matter, to enter into pre-probable cause conciliation negotiations.

C. Analysis

Under the Act, no person shall make contributions of currency to a candidate or political committee which in the aggregate exceed \$100. 2 U.S.C. § 441g. The Commission's regulations permit contributions to be made by written instrument, including checks and money orders. 11 C.F.R. § 104.8(c). Pursuant to Section 110.4(c)(2) of the Commission's regulations, a candidate or committee receiving a cash contribution in excess of \$100 shall promptly return the amount over \$100 to the contributor.

Section 441f of the Act provides that "[n]o person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person." Pursuant to 2 U.S.C. § 441b, it is unlawful for any corporation to make a contribution or expenditure in connection with a Federal election, or for any Federal candidate or political committee to knowingly accept such a contribution. It is also unlawful for any corporate officer or director to consent to any such contribution or expenditure. Id.

In light of Section 441g's prohibition against cash contributions in excess of \$100, the complainant's assertion that cash contributions cannot exceed \$50 is simply wrong. Similarly, the assertion that contributions cannot be made by money order is incorrect. However, the allegation that these contributions were

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improperly made by Tel-Save in the names of its employees cannot be so easily dismissed. Indeed, these contributions are all the same amount, \$1,000, were all made on the same date, April 13, 1994, and all came from eleven employees at the same company, Tel-Save. In addition, each contribution was made in the form of a money order and accompanied by the same transmittal letter, which showed that each contributor was employed by Tel-Save. These are the exact type of factors that evidence a coordinated effort to circumvent the Act's prohibitions and limitations.

Counsel does not deny that Tel-Save gave its employees money so that they could make these contributions. Instead, she maintains that the Commission's regulations "do not make clear that loans to individuals are contributions if the individuals contribute those funds to a candidate." Attachment B at 3. However, the Commission's regulations expressly describe a contribution in the name of another as "[g]iving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made." 11 C.F.R. § 110.4(b)(2)(i). In the matter at hand, Tel-Save provided funds to eleven of its employees who in turn made contributions in their names to the Greenwood campaign. Not only is this type of activity expressly described in the Commission's regulations, but

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it is the exact type of activity that Section 441f was intended to prohibit.³

Likewise, Counsel's distinction that Tel-Save did not give money to its employees, but rather loaned it to them is of little value in the matter at hand. The Commission has consistently held that individuals may not make contributions from refundable corporate drawing accounts under the rationale that such funds are the corporation's because the employee is obligated to repay the corporation for any money used. See AOs 1990-4, 1985-12 and 1982-11 (funds from non-refundable drawing account are permissible because the funds are a draw on the employee's salary). In the matter at hand, the Tel-Save employees used corporate funds that they were obligated to repay in much the same manner as an employee who uses a refundable corporate drawing account. The only difference here is that the money Tel-Save provided was first used to purchase money orders before being given to the Greenwood campaign.⁴

3. Moreover, even though Respondents assert that all but one of the employees repaid Tel-Save for the loans, they provided copies of the front side of the employees' purported repayment checks only, thus making it difficult to substantiate counsel's assertion of repayment. The record is also silent as to how and why eleven employees all decided to secure "loans" from Tel-Save in the same amount on the same date and for the same purpose of making contributions to the same candidate.

4. Moreover, Respondents provided no documents evidencing the loans in question or, for that matter, any other "personal" loans that Tel-Save has a "practice" of making to its employees. Indeed, Respondents' attempt to characterize the contribution advances here as loans is strikingly similar to the situation addressed in Federal Election Comm'n. v. Larry Williams, CV-93-6321-ER(BX) (C.D. Cal. Jan. 31, 1995). In that case, the defendant argued that he did not reimburse his employees who bought tickets to a fundraiser, but rather pre-purchased their

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Furthermore, the available information does not support counsel's assertion that these contributions resulted in a "technical violation" of the Act. Indeed, a series of news articles concerning the contributions disclosed that Daniel Borislow met with Congressman Greenwood before the contributions in question were made and, during that meeting, he purportedly asked how he could make a contribution to the Greenwood campaign. The Morning Call, July 22, 1994, Section B at 1. The articles further disclosed that Mr. Borislow purportedly acknowledged that the contributions were raised independently of the Greenwood campaign and, in his affidavit, he acknowledges loaning Tel-Save funds to himself and the other employees so that they could make the contributions. In fact, one of the news articles reported that when he was asked about why eleven employees all contributed to the Greenwood campaign he purportedly said: "[Greenwood is] my congressman. He takes care of us, and we're supposed to take care of him." The Morning Call, July 23, 1994, Section B at 3.

D. Conclusion

In conclusion, it appears that eleven individuals at Tel-Save permitted their names to be used to make contributions to the Greenwood campaign. In addition, the available evidence shows that one of these individuals, Mr. Borislow, approved the use of Tel-Save's funds for these contributions in his capacity as the

(Footnote 4 continued from previous page)
tickets to the event for possible resale in the event they could not attend. The court in Williams, however, rejected the defendant's characterization of the transaction as anything other than a contribution reimbursement scheme carried out in knowing and willful violation of the Act.

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President of Tel-Save. Moreover, it appears that Mr. Borislow was involved in raising these contributions and, given the fact that these contributions were all made on the same date, in the same amounts and in the same manner, i.e., through money orders, he may have orchestrated the making of these contributions to knowingly and wilfully violate the Act's prohibition against corporate contributions and contributions made in the name of another.

In an effort to resolve this matter in an expeditious manner, this Office recommends that the Commission accept Respondents' request to enter into conciliation negotiations prior to a finding of probable cause to believe. These Respondents, who are represented by the same counsel, have essentially acknowledged that they permitted their names to be used to make a contribution using corporate funds. In addition, a review of the Commission's contributor indices from 1987 to the present shows that these are the only Tel-Save employees who made contributions to Federal candidates or political committees and that the contributions at issue here are the only contributions these particular employees made. Although further investigation may confirm that Congressman Greenwood and the Committee were involved in the transactions in question and/or show that other employees knowingly and wilfully violated the Act, we believe that this matter is situated for quick resolution without the need for an extensive investigation.⁵

5. As noted above, the available information shows that Mr. Borislow apparently met with Congressman Greenwood before the contributions at issue in this matter were made. However, since it is unclear whether their communications, if they in fact occurred, concerned the making of contributions, we are not making any reason-to-believe findings against Congressman Greenwood or

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Attached for the Commission's approval are 2 conciliation agreements. The agreement for Tel-Save and Daniel Borislow

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Based upon the above discussion, this Office recommends that the Commission reject Respondents' request to take no further action and instead find reason to believe that Tel-Save, Inc., and

(Footnote 5 continued from previous page)
Greenwood for Congress and its treasurer at this time. In the event that additional information concerning the involvement of either Congressman Greenwood or an agent of his campaign comes to light during conciliation negotiations, we will report to the Commission with appropriate recommendations.

Daniel Borislow, as an officer of Tel-Save, each knowingly and wilfully violated 2 U.S.C. §§ 441f and 441b and that Emanuel DeMaio, David Gross, Jason Januzelli, Kevin Kelly, James Logan, Greg Luff, Gary McCulla, Peter Morrison, Deron Ruby and Raymond Battistini, each violated 2 U.S.C. § 441f. In addition, we recommend that the Commission accept Respondents' request to enter into conciliation negotiations prior to a finding of probable cause to believe. Lastly, we recommend that the Commission take no action at this time with respect to Congressman James Greenwood and Greenwood for Congress and Robert O. Baldi, as treasurer.

III. RECOMMENDATIONS

1. Reject the request of Tel-Save, Inc., Daniel Borislow, Emanuel DeMaio, David Gross, Jason Januzelli, Kevin Kelly, James Logan, Greg Luff, Gary McCulla, Peter Morrison, Deron Ruby and Raymond Battistini to take no further action.
2. Find reason to believe that Tel-Save, Inc., and Daniel Borislow each knowingly and wilfully violated 2 U.S.C. §§ 441b and 441f.
3. Find reason to believe that Emanuel DeMaio, David Gross, Jason Januzelli, Kevin Kelly, James Logan, Greg Luff, Gary McCulla, Peter Morrison, Deron Ruby and Raymond Battistini each violated 2 U.S.C. § 441f.
4. Enter into pre-probable cause conciliation with Tel-Save, Inc., Daniel Borislow, Emanuel DeMaio, David Gross, Jason Januzelli, Kevin Kelly, James Logan, Greg Luff, Gary McCulla, Peter Morrison, Deron Ruby and Raymond Battistini.
5. Take no action at this time with regard to the Honorable James Greenwood and Greenwood for Congress and Robert O. Baldi, as treasurer.

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6. Approve the attached Factual and Legal Analyses (2) and Conciliation Agreements (2) and the appropriate letter.

Lawrence M. Noble
General Counsel

Date

4/6/95

BY:


Lois G. Lerner
Associate General Counsel

Attachments

- A. Response from Greenwood for Congress
- B. Response from Tel-Save, Inc., et al.
- C. Factual and Legal Analysis for Tel-Save and Daniel Borislow
- D. Sample Factual and Legal Analysis for Tel-Save Employees
- E. Proposed Conciliation Agreement for Tel-Save and Daniel Borislow
- F. Sample Proposed Conciliation Agreement for Tel-Save Employees

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FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. ENMONS/LISA R. DAVIS *L.R.D.*
COMMISSION SECRETARY

DATE: APRIL 12, 1995

SUBJECT: MUR 4019 - FIRST GENERAL COUNSEL'S REPORT DATED
APRIL 6, 1995

The above-captioned document was circulated to the Commission on FRIDAY, APRIL 7, 1995 at 12:00 p.m.

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

Commissioner Aikens	<u>XXX</u>
Commissioner Elliott	<u>XXX</u>
Commissioner McDonald	<u>XXX</u>
Commissioner McGarry	<u>XXX</u>
Commissioner Potter	<u> </u>
Commissioner Thomas	<u> </u>

This matter will be placed on the meeting agenda for TUESDAY, APRIL 18, 1995

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

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) NUR 4019
The Honorable James Greenwood;)
Greenwood for Congress and)
Robert O. Baldi, as treasurer;)
Tel-Save, Inc. and)
Daniel Borislow, as President;)
Emanuel DeMaio;)
David Gross;)
Jason Januzelli;)
Kevin Kelly;)
James Logan;)
Greg Luff;)
Gary McCulla;)
Peter Morrison;)
Deron Ruby;)
Raymond Battistini)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on April 18, 1995, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in NUR 4019:

1. Reject the request of Tel-Save, Inc., Daniel Borislow, Emanuel DeMaio, David Gross, Jason Januzelli, Kevin Kelly, James Logan, Greg Luff, Gary McCulla, Peter Morrison, Deron Ruby and Raymond Battistini to take no further action.
2. Find reason to believe that Tel-Save, Inc., and Daniel Borislow each knowingly and willfully violated 2 U.S.C. §§ 441b and 441f.

(continued)

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3. Find reason to believe that Emanuel DeMaio, David Gross, Jason Januzelli, Kevin Kelly, James Logan, Greg Luff, Gary McCulla, Peter Morrison, Deron Ruby and Raymond Battistini each violated 2 U.S.C. § 441f.
4. Enter into pre-probable cause conciliation with Tel-Save, Inc., Daniel Borislow, Emanuel DeMaio, David Gross, Jason Januzelli, Kevin Kelly, James Logan, Greg Luff, Gary McCulla, Peter Morrison, Deron Ruby, and Raymond Battistini.
5. Take no action at this time with regard to the Honorable James Greenwood and Greenwood for Congress and Robert O. Baldi, as treasurer.
6. Approve the Factual and Legal Analyses (2), Conciliation Agreements (2), and the appropriate letters as recommended in the General Counsel's April 6, 1995 report.

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

Attest:

4-20-95
Date

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

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FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

April 24, 1995

Lyn Utrecht, Esq.
Oldaker, Ryan & Leonard
818 Connecticut Avenue, N.W.
Suite 1100
Washington, DC 20006

RE: MUR 4019
Tel-Save, Inc., and
Daniel Borislow, President
Raymond Battistini
Emanuel DeMaio
David Gross
Jason Januzelli
Kevin Kelly
James Logan
Greg Luff
Gary McCulla
Peter Morrison
Deron Ruby

Dear Ms. Utrecht:

On April 18, 1995, the Federal Election Commission rejected your request to take no further action in the above-captioned matter and, instead, found that there is reason to believe that your clients, Tel-Save, Inc., and Daniel Borislow, each knowingly and willfully violated 2 U.S.C. §§ 441b and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Also, on April 18, 1995, the Commission found that there is reason to believe that your clients, Emanuel DeMaio, David Gross, Jason Januzelli, Kevin Kelly, James Logan, Greg Luff, Gary McCulla, Peter Morrison, Deron Ruby, and Raymond Battistini, each violated 2 U.S.C. § 441f. The Factual and Legal Analyses, which formed a basis for the Commission's findings, are attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

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Lyn Utrecht, Esq.
Page 2

In order to expedite the resolution of this matter, the Commission has decided to accept your clients' request to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed are the conciliation agreements that the Commission has approved in settlement of this matter.

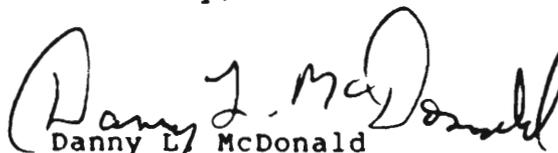
If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation and if you agree with the provisions of the enclosed agreements, please sign and return the agreements, along with the civil penalties, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

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

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

If you have any questions, please contact Craig D. Reffner, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,


Danny L. McDonald
Chairman

Enclosures

Factual and Legal Analyses (11)
Conciliation Agreements (11)

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR: 4019

RESPONDENTS: Tel-Save, Inc., and
Daniel Borislow

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by John P. Murray. See 2 U.S.C. § 437g(a)(1). Mr. Murray questions the contributions that Daniel Borislow and ten other employees from Tel-Save, Inc. ("Tel-Save") made to Congressman James Greenwood's re-election campaign in Pennsylvania's 1994 Eighth Congressional District. Counsel for Tel-Save and Mr. Borislow responded to the complaint.

II. FACTUAL AND LEGAL ANALYSIS

A. Complaint

According to the complainant, a disclosure report filed with the Commission by Congressman Greenwood's authorized campaign committee, Greenwood for Congress, shows that Mr. Borislow and ten other employees from Tel-Save each contributed \$1,000 to the Greenwood campaign on April 29, 1994. The other employees include: Emanuel DeMaio, David Gross, Jason Januzelli, Kevin Kelly, James Logan, Greg Luff, Gary McCulla, Peter Morrison, Deron Ruby and Raymond Battistini. The complainant suggests that all the contributions "appear to have been made in the employees' names on behalf of someone else virtually making them corporate contributions." The complainant also alleges that each contribution was made in the form of a money order, which, the

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complainant asserts is subject to a limitation of \$50, "like cash."

B. Response

Counsel for Tel-Save and Mr. Borislow acknowledges that the contributions were made and challenges the allegation that they are impermissible because they were made by money order. She notes that under the Commission's regulations, the limit for cash contributions is \$100, not \$50 as the complainant maintains, and that in any event, money orders are not considered cash, but "written instruments."

With regard to the allegation that these contributions were made in the employees' names, counsel acknowledges that Tel-Save loaned \$1,000 to each of the eleven employees so that they could in turn contribute to the Greenwood campaign. However, she asserts that the employees contributed voluntarily and that Tel-Save has a history of loaning money to its employees for personal purposes. In an affidavit, Tel-Save's President, Daniel Borislow, states that it is a "practice at Tel-Save to loan funds to employees for personal purposes and I believed these loans were proper personal loans to employees just as others I have made in the past for personal reasons." According to counsel, Tel-Save has outstanding loans to several current and former employees. Counsel also notes that, with the exception of one employee, the loans have all been refunded. Counsel provided copies of checks from ten Tel-Save employees, dated between July 11 and July 15, 1994, all made payable to Tel-Save.

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Counsel argues that under the circumstances, Tel-Save made neither a corporate contribution nor a contribution in the name of another. She posits that "while the [Commission's] regulations make clear that loans to candidates or their committees are contributions, the regulations do not expressly state that loans to individuals are contributions if the individuals contribute those funds to a candidate." She also asserts that Mr. Borislow as well as the other employees each "intended to and believed [they were] making the contribution from [their] own personal funds" and, with the exception of one employee, repaid the loans prior to the time that any questions were raised. Counsel also states that the examples of "contributions in the name of another at 11 C.F.R. § 110.4(b)(2) describe situations in which funds are given to someone to make a contribution, not to situations in which funds are loaned and promptly repaid."

C. Analysis

Under the Federal Election Campaign Act of 1971, as amended (the "Act"), no person shall make contributions of currency to a candidate or political committee which in the aggregate exceed \$100. 2 U.S.C. § 441g. See also 11 C.F.R. § 110.4(c). The Commission's regulations permit contributions to be made by written instrument, including checks and money orders. 11 C.F.R. § 104.8(c).

Section 441f of the Act provides that "[n]o person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution." Pursuant to

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2 U.S.C. § 441b, it is unlawful for any corporation to make a contribution or expenditure in connection with a Federal election.

In light of Section 441g's prohibition against cash contributions in excess of \$100, the complainant's assertion that cash contributions cannot exceed \$50 is simply wrong. Similarly, the assertion that contributions cannot be made by money order is incorrect. However, the allegation that these contributions were improperly made by Tel-Save in the names of its employees cannot be so easily dismissed. Indeed, these contributions are all the same amount, \$1,000, were all made on the same date, April 13, 1994, and all came from eleven employees at the same company, Tel-Save. In addition, each contribution was made in the form of a money order and accompanied by the same transmittal letter, which showed that each contributor was employed by Tel-Save. These are the exact type of factors that evidence a coordinated effort to circumvent the Act's prohibitions and limitations.

Counsel does not deny that Tel-Save gave its employees money so that they could make these contributions. Instead, she maintains that the Commission's regulations "do not make clear that loans to individuals are contributions if the individuals contribute those funds to a candidate." However, the Commission's regulations expressly describe a contribution in the name of another as "[g]iving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made." 11 C.F.R. § 110.4(b)(2)(i). In the matter

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at hand, Tel-Save provided funds to Mr. Borislow and ten other employees who in turn made contributions in their names to the Greenwood campaign. Not only is this type of activity expressly described in the Commission's regulations, but it is the exact type of activity that Section 441f was intended to prohibit.

Likewise, Counsel's distinction that Tel-Save did not give money to its employees, but rather loaned it to them is of little value in the matter at hand. The Commission has consistently held that individuals may not make contributions from refundable corporate drawing accounts under the rationale that such funds are the corporation's because the employee is obligated to repay the corporation for any money used. See Advisory Opinions 1990-4, 1985-12 and 1982-11 (funds from non-refundable drawing account are permissible because the funds are a draw on the employee's salary). In the matter at hand, the Tel-Save employees used corporate funds that they were obligated to repay in much the same manner as an employee who uses a refundable corporate drawing account. The only difference here is that the money Tel-Save provided was first used to purchase money orders before being given to the Greenwood campaign.¹

1. Moreover, no documentation has been provided evidencing the loans in question or, for that matter, any other "personal" loans that Tel-Save has a "practice" of making to its employees. Likewise, even though counsel asserts that all but one of the employees repaid Tel-Save for the loans, she provided copies of the front side of the employees' purported repayment checks only, thus making it difficult to substantiate the assertion of repayment. Finally, the record is silent as to how and why eleven employees all decided to secure "loans" from Tel-Save in the same amount on the same date and for the same purpose of making contributions to the same candidate.

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As noted above, the Act provides that no person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution. By permitting his name to be used by Tel-Save to make a contribution to the Greenwood campaign, Daniel Borislow violated 2 U.S.C. § 441f. Likewise, by using Mr. Borislow's name to make a contribution to the Greenwood campaign, Tel-Save, Inc., violated 2 U.S.C. § 441f.

The Act also provides that it is unlawful for any corporation to make a contribution or expenditure in connection with a Federal election and further prohibits any corporate officer or director from consenting to any such contribution or expenditure. By providing corporate funds to employees for the purpose of making contributions in connection with a Federal election Tel-Save, Inc., violated 2 U.S.C. § 441b. In addition, in his affidavit, Daniel Borislow states that he is the President of Tel-Save and that he provided Tel-Save funds to himself and ten other employees funds from Tel-Save for the purpose of making contributions to the Greenwood campaign. By loaning corporate funds to himself and ten other Tel-Save employees for the purpose of making contributions to the Greenwood campaign, Mr. Borislow consented to the making of a corporate contribution in violation of 2 U.S.C. § 441b.

Furthermore, the available information does not support counsel's assertion that these contributions resulted in a "technical violation" of the Act. Indeed, a series of news articles concerning the contributions disclosed that Daniel Borislow met with Congressman Greenwood before the contributions

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in question were made and, during that meeting, he purportedly asked how he could make a contribution to the Greenwood campaign. The Morning Call, July 22, 1994, Section B at 1. The articles further disclosed that Mr. Borislow purportedly acknowledged that the contributions were raised independently of the Greenwood campaign and, in his affidavit, he acknowledges loaning Tel-Save funds to himself and the other employees so that they could make the contributions. In fact, one of the news articles reported that when he was asked about why eleven employees all contributed to the Greenwood campaign he purportedly said: "[Greenwood is] my congressman. He takes care of us, and we're supposed to take care of him." The Morning Call, July 23, 1994, Section B at 3.

In short, it appears that Mr. Borislow was involved in raising these contributions. Given the fact that these contributions were all made on the same date, in the same amounts and in the same manner, i.e., through money orders, he may have orchestrated the making of these contributions to knowingly and willfully violate the Act's prohibition against corporate contributions and contributions made in the name of another.

Therefore, there is reason to believe that Tel-Save, Inc., and Daniel Borislow each knowingly and willfully violated 2 U.S.C. §§ 441b and 441f.

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

MUR: 4019

RESPONDENT: Raymond Battistini

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by John P. Murray. See 2 U.S.C. § 437g(a)(1). Mr. Murray questions the contributions that Raymond Battistini and ten other employees from Tel-Save, Inc. ("Tel-Save") made to Congressman James Greenwood's re-election campaign in Pennsylvania's 1994 Eighth Congressional District. Counsel for Mr. Battistini has responded to the complaint.

II. FACTUAL AND LEGAL ANALYSIS

A. Complaint

According to the complainant, a disclosure report filed with the Commission by the Greenwood for Congress Committee and Robert O. Baldi, as treasurer (collectively referred to as the "Committee"), shows that Mr. Battistini and ten other employees from Tel-Save each contributed \$1,000 to the Greenwood campaign on April 29, 1994. The complainant suggests that the contributions "appear to have been made in the employees' names on behalf of someone else virtually making them corporate contributions." The complainant also alleges that each contribution was made in the form of a money order, which, the complainant asserts is subject to a limitation of \$50, "like cash."

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B. Response

Counsel for Mr. Battistini acknowledges that he made a contribution and challenges the allegation that it was impermissible because he made it by money order. She notes that under the Commission's regulations, the limit for cash contributions is \$100, not \$50 as the complainant maintains, and that in any event, money orders are not considered cash, but "written instruments."

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With regard to the allegation that Mr. Battistini permitted Tel-Save to use his name to make a contribution, counsel acknowledges that Tel-Save loaned Mr. Battistini \$1,000 so that he could in turn contribute to the Greenwood campaign. However, she asserts that he contributed voluntarily and that Tel-Save has a history of loaning money to its employees for personal purposes. In an affidavit attached to the response, Tel-Save's President, Daniel Borislow, states that it is a "practice at Tel-Save to loan funds to employees for personal purposes and I believed these loans were proper personal loans to employees just as others I have made in the past for personal reasons." According to counsel, Tel-Save has outstanding loans to several current and former employees. Counsel also notes that, Mr. Battistini repaid Tel-Save for his loan and she included a copy of Mr. Battistini's check, dated July 11 1994, made payable to Tel-Save.

Counsel argues that under the circumstances, Mr. Battistini did not permit Tel-Save to use his name to make a contribution to the Greenwood campaign. She posits that "while the [Commission's] regulations make clear that loans to candidates or their

committees are contributions, the regulations do not expressly state that loans to individuals are contributions if the individuals contribute those funds to a candidate." She also asserts that Mr. Battistini "intended to and believed he was making the contribution from his own personal funds" and that he repaid the loans prior to the time that any questions were raised. Counsel also states that the examples of "contributions in the name of another at 11 C.F.R. § 110.4(b)(2) describe situations in which funds are given to someone to make a contribution, not to situations in which funds are loaned and promptly repaid."

C. Analysis

Under the Federal Election Campaign Act of 1971, as amended (the "Act"), no person shall make contributions of currency to a candidate or political committee which in the aggregate exceed \$100. 2 U.S.C. § 441g. See also 11 C.F.R. § 110.4(c). The Commission's regulations permit contributions to be made by written instrument, including checks and money orders. 11 C.F.R. § 104.8(c). Section 441f of the Act provides that "[n]o person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution."

In light of Section 441g's prohibition against cash contributions in excess of \$100, the complainant's assertion that cash contributions cannot exceed \$50 is simply wrong. Similarly, the assertion that contributions cannot be made by money order is incorrect. However, the allegation that Mr. Battistini improperly permitted Tel-Save to use his name to make a contribution cannot be so easily dismissed. Indeed, Mr. Battistini's contribution and

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the contributions from the other Tel-Save employees were all the same amount, \$1,000, and were all made on the same date, April 13, 1994. In addition, each contribution was made in the form of a money order and accompanied by the same transmittal letter, which showed that each contributor was employed by Tel-Save. These are the exact type of factors that evidence a coordinated effort to circumvent the Act's prohibitions and limitations.

Counsel does not deny that Tel-Save gave Mr. Battistini money so that he could make this contribution. Instead, she maintains that the Commission's regulations "do not make clear that loans to individuals are contributions if the individuals contribute those funds to a candidate." However, the Commission's regulations expressly describe a contribution in the name of another as "[g]iving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made." 11 C.F.R. § 110.4(b)(2)(i). In the matter at hand, Tel-Save provided funds to Mr. Battistini who in turn made a contribution in his name to the Greenwood campaign. Not only is this type of activity expressly described in the Commission's regulations, but it is the exact type of activity that Section 441f was intended to prohibit.

Likewise, Counsel's distinction that Tel-Save did not give money to Mr. Battistini, but rather loaned it to him is of little value in the matter at hand. The Commission has consistently held that individuals may not make contributions from refundable

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corporate drawing accounts under the rationale that such funds are the corporation's because the employee is obligated to repay the corporation for any money used. See Advisory Opinions 1990-4, 1985-12 and 1982-11 (funds from non-refundable drawing account are permissible because the funds are a draw on the employee's salary). In the matter at hand, Mr. Battistini used corporate funds that he was obligated to repay in much the same manner as an employee who uses a refundable corporate drawing account. The only difference here is that the money Tel-Save provided Mr. Battistini was first used to purchase a money order before being given to the Greenwood campaign.¹

Therefore, there is reason to believe Raymond Battistini violated 2 U.S.C. § 441f.

1. Moreover, no documentation has been provided evidencing the loan to Mr. Battistini or, for that matter, any other "personal" loans that Tel-Save has a "practice" of making to its employees. Likewise, even though counsel asserts that Mr. Battistini repaid Tel-Save for his loan, she provided copies of the front side of his purported repayment checks only, thus making it difficult to substantiate the assertion of repayment. Finally, the record is silent as to how and why Mr. Battistini and ten other employees all decided to secure "loans" from Tel-Save in the same amount on the same date and for the same purpose of making contributions to the same candidate.

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

MUR: 4019

RESPONDENT: Emanuel DeMaio

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by John P. Murray. See 2 U.S.C. § 437g(a)(1). Mr. Murray questions the contributions that Emanuel DeMaio and ten other employees from Tel-Save, Inc. ("Tel-Save") made to Congressman James Greenwood's re-election campaign in Pennsylvania's 1994 Eighth Congressional District. Counsel for Mr. DeMaio has responded to the complaint.

II. FACTUAL AND LEGAL ANALYSIS

A. Complaint

According to the complainant, a disclosure report filed with the Commission by the Greenwood for Congress Committee and Robert O. Baldi, as treasurer (collectively referred to as the "Committee"), shows that Mr. DeMaio and ten other employees from Tel-Save each contributed \$1,000 to the Greenwood campaign on April 29, 1994. The complainant suggests that the contributions "appear to have been made in the employees' names on behalf of someone else virtually making them corporate contributions." The complainant also alleges that each contribution was made in the form of a money order, which, the complainant asserts is subject to a limitation of \$50, "like cash."

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B. Response

Counsel for Mr. DeMaio acknowledges that he made a contribution and challenges the allegation that it was impermissible because he made it by money order. She notes that under the Commission's regulations, the limit for cash contributions is \$100, not \$50 as the complainant maintains, and that in any event, money orders are not considered cash, but "written instruments."

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With regard to the allegation that Mr. DeMaio permitted Tel-Save to use his name to make a contribution, counsel acknowledges that Tel-Save loaned Mr. DeMaio \$1,000 so that he could in turn contribute to the Greenwood campaign. However, she asserts that he contributed voluntarily and that Tel-Save has a history of loaning money to its employees for personal purposes. In an affidavit attached to the response, Tel-Save's President, Daniel Borislow, states that it is a "practice at Tel-Save to loan funds to employees for personal purposes and I believed these loans were proper personal loans to employees just as others I have made in the past for personal reasons." According to counsel, Tel-Save has outstanding loans to several current and former employees. Counsel also notes that, Mr. DeMaio repaid Tel-Save for his loan and she included a copy of Mr. DeMaio's check, dated July 11 1994, made payable to Tel-Save.

Counsel argues that under the circumstances, Mr. DeMaio did not permit Tel-Save to use his name to make a contribution to the Greenwood campaign. She posits that "while the [Commission's] regulations make clear that loans to candidates or their

committees are contributions, the regulations do not expressly state that loans to individuals are contributions if the individuals contribute those funds to a candidate." She also asserts that Mr. DeMaio "intended to and believed he was making the contribution from his own personal funds" and that he repaid the loans prior to the time that any questions were raised. Counsel also states that the examples of "contributions in the name of another at 11 C.F.R. § 110.4(b)(2) describe situations in which funds are given to someone to make a contribution, not to situations in which funds are loaned and promptly repaid."

C. Analysis

Under the Federal Election Campaign Act of 1971, as amended (the "Act"), no person shall make contributions of currency to a candidate or political committee which in the aggregate exceed \$100. 2 U.S.C. § 441g. See also 11 C.F.R. § 110.4(c). The Commission's regulations permit contributions to be made by written instrument, including checks and money orders. 11 C.F.R. § 104.8(c). Section 441f of the Act provides that "[n]o person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution."

In light of Section 441g's prohibition against cash contributions in excess of \$100, the complainant's assertion that cash contributions cannot exceed \$50 is simply wrong. Similarly, the assertion that contributions cannot be made by money order is incorrect. However, the allegation that Mr. DeMaio improperly permitted Tel-Save to use his name to make a contribution cannot be so easily dismissed. Indeed, Mr. DeMaio's contribution and the

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contributions from the other Tel-Save employees were all the same amount, \$1,000, and were all made on the same date, April 13, 1994. In addition, each contribution was made in the form of a money order and accompanied by the same transmittal letter, which showed that each contributor was employed by Tel-Save. These are the exact type of factors that evidence a coordinated effort to circumvent the Act's prohibitions and limitations.

Counsel does not deny that Tel-Save gave Mr. DeMaio money so that he could make this contribution. Instead, she maintains that the Commission's regulations "do not make clear that loans to individuals are contributions if the individuals contribute those funds to a candidate." However, the Commission's regulations expressly describe a contribution in the name of another as "[g]iving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made." 11 C.F.R. § 110.4(b)(2)(i). In the matter at hand, Tel-Save provided funds to Mr. DeMaio who in turn made a contribution in his name to the Greenwood campaign. Not only is this type of activity expressly described in the Commission's regulations, but it is the exact type of activity that Section 441f was intended to prohibit.

Likewise, Counsel's distinction that Tel-Save did not give money to Mr. DeMaio, but rather loaned it to him is of little value in the matter at hand. The Commission has consistently held that individuals may not make contributions from refundable

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corporate drawing accounts under the rationale that such funds are the corporation's because the employee is obligated to repay the corporation for any money used. See Advisory Opinions 1990-4, 1985-12 and 1982-11 (funds from non-refundable drawing account are permissible because the funds are a draw on the employee's salary). In the matter at hand, Mr. DeMaio used corporate funds that he was obligated to repay in much the same manner as an employee who uses a refundable corporate drawing account. The only difference here is that the money Tel-Save provided Mr. DeMaio was first used to purchase a money order before being given to the Greenwood campaign.¹

Therefore, there is reason to believe Emanuel DeMaio violated 2 U.S.C. § 441f.

1. Moreover, no documentation has been provided evidencing the loan to Mr. DeMaio or, for that matter, any other "personal" loans that Tel-Save has a "practice" of making to its employees. Likewise, even though counsel asserts that Mr. DeMaio repaid Tel-Save for his loan, she provided copies of the front side of his purported repayment checks only, thus making it difficult to substantiate the assertion of repayment. Finally, the record is silent as to how and why Mr. DeMaio and ten other employees all decided to secure "loans" from Tel-Save in the same amount on the same date and for the same purpose of making contributions to the same candidate.

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

MUR: 4019

RESPONDENT: David Gross

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by John P. Murray. See 2 U.S.C. § 437g(a)(1). Mr. Murray questions the contributions that David Gross and ten other employees from Tel-Save, Inc. ("Tel-Save") made to Congressman James Greenwood's re-election campaign in Pennsylvania's 1994 Eighth Congressional District. Counsel for Mr. Gross has responded to the complaint.

II. FACTUAL AND LEGAL ANALYSIS

A. Complaint

According to the complainant, a disclosure report filed with the Commission by the Greenwood for Congress Committee and Robert O. Baldi, as treasurer (collectively referred to as the "Committee"), shows that Mr. Gross and ten other employees from Tel-Save each contributed \$1,000 to the Greenwood campaign on April 29, 1994. The complainant suggests that the contributions "appear to have been made in the employees' names on behalf of someone else virtually making them corporate contributions." The complainant also alleges that each contribution was made in the form of a money order, which, the complainant asserts is subject to a limitation of \$50, "like cash."

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B. Response

Counsel for Mr. Gross acknowledges that he made a contribution and challenges the allegation that it was impermissible because he made it by money order. She notes that under the Commission's regulations, the limit for cash contributions is \$100, not \$50 as the complainant maintains, and that in any event, money orders are not considered cash, but "written instruments."

With regard to the allegation that Mr. Gross permitted Tel-Save to use his name to make a contribution, counsel acknowledges that Tel-Save loaned Mr. Gross \$1,000 so that he could in turn contribute to the Greenwood campaign. However, she asserts that he contributed voluntarily and that Tel-Save has a history of loaning money to its employees for personal purposes. In an affidavit attached to the response, Tel-Save's President, Daniel Borislow, states that it is a "practice at Tel-Save to loan funds to employees for personal purposes and I believed these loans were proper personal loans to employees just as others I have made in the past for personal reasons." According to counsel, Tel-Save has outstanding loans to several current and former employees. Counsel also notes that, Mr. Gross repaid Tel-Save for his loan and she included a copy of Mr. Gross's check, dated July 11 1994, made payable to Tel-Save.

Counsel argues that under the circumstances, Mr. Gross did not permit Tel-Save to use his name to make a contribution to the Greenwood campaign. She posits that "while the [Commission's] regulations make clear that loans to candidates or their

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committees are contributions, the regulations do not expressly state that loans to individuals are contributions if the individuals contribute those funds to a candidate." She also asserts that Mr. Gross "intended to and believed he was making the contribution from his own personal funds" and that he repaid the loans prior to the time that any questions were raised. Counsel also states that the examples of "contributions in the name of another at 11 C.F.R. § 110.4(b)(2) describe situations in which funds are given to someone to make a contribution, not to situations in which funds are loaned and promptly repaid."

C. Analysis

Under the Federal Election Campaign Act of 1971, as amended (the "Act"), no person shall make contributions of currency to a candidate or political committee which in the aggregate exceed \$100. 2 U.S.C. § 441g. See also 11 C.F.R. § 110.4(c). The Commission's regulations permit contributions to be made by written instrument, including checks and money orders. 11 C.F.R. § 104.8(c). Section 441f of the Act provides that "[n]o person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution."

In light of Section 441g's prohibition against cash contributions in excess of \$100, the complainant's assertion that cash contributions cannot exceed \$50 is simply wrong. Similarly, the assertion that contributions cannot be made by money order is incorrect. However, the allegation that Mr. Gross improperly permitted Tel-Save to use his name to make a contribution cannot be so easily dismissed. Indeed, Mr. Gross's contribution and the

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contributions from the other Tel-Save employees were all the same amount, \$1,000, and were all made on the same date, April 13, 1994. In addition, each contribution was made in the form of a money order and accompanied by the same transmittal letter, which showed that each contributor was employed by Tel-Save. These are the exact type of factors that evidence a coordinated effort to circumvent the Act's prohibitions and limitations.

Counsel does not deny that Tel-Save gave Mr. Gross money so that he could make this contribution. Instead, she maintains that the Commission's regulations "do not make clear that loans to individuals are contributions if the individuals contribute those funds to a candidate." However, the Commission's regulations expressly describe a contribution in the name of another as "[g]iving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made." 11 C.F.R. § 110.4(b)(2)(i). In the matter at hand, Tel-Save provided funds to Mr. Gross who in turn made a contribution in his name to the Greenwood campaign. Not only is this type of activity expressly described in the Commission's regulations, but it is the exact type of activity that Section 441f was intended to prohibit.

Likewise, Counsel's distinction that Tel-Save did not give money to Mr. Gross but rather loaned it to him is of little value in the matter at hand. The Commission has consistently held that individuals may not make contributions from refundable corporate

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drawing accounts under the rationale that such funds are the corporation's because the employee is obligated to repay the corporation for any money used. See Advisory Opinions 1990-4, 1985-12 and 1982-11 (funds from non-refundable drawing account are permissible because the funds are a draw on the employee's salary). In the matter at hand, Mr. Gross used corporate funds that he was obligated to repay in much the same manner as an employee who uses a refundable corporate drawing account. The only difference here is that the money Tel-Save provided Mr. Gross was first used to purchase a money order before being given to the Greenwood campaign.¹

Therefore, there is reason to believe David Gross violated 2 U.S.C. § 441f.

1. Moreover, no documentation has been provided evidencing the loan to Mr. Gross or, for that matter, any other "personal" loans that Tel-Save has a "practice" of making to its employees. Likewise, even though counsel asserts that Mr. Gross repaid Tel-Save for his loan, she provided copies of the front side of his purported repayment checks only, thus making it difficult to substantiate the assertion of repayment. Finally, the record is silent as to how and why Mr. Gross and ten other employees all decided to secure "loans" from Tel-Save in the same amount on the same date and for the same purpose of making contributions to the same candidate.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR: 4019

RESPONDENT: Jason Januzelli

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by John P. Murray. See 2 U.S.C. § 437g(a)(1). Mr. Murray questions the contributions that Jason Januzelli and ten other employees from Tel-Save, Inc. ("Tel-Save") made to Congressman James Greenwood's re-election campaign in Pennsylvania's 1994 Eighth Congressional District. Counsel for Mr. Januzelli has responded to the complaint.

II. FACTUAL AND LEGAL ANALYSIS

A. Complaint

According to the complainant, a disclosure report filed with the Commission by the Greenwood for Congress Committee and Robert O. Baldi, as treasurer (collectively referred to as the "Committee"), shows that Mr. Januzelli and ten other employees from Tel-Save each contributed \$1,000 to the Greenwood campaign on April 29, 1994. The complainant suggests that the contributions "appear to have been made in the employees' names on behalf of someone else virtually making them corporate contributions." The complainant also alleges that each contribution was made in the form of a money order, which, the complainant asserts is subject to a limitation of \$50, "like cash."

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B. Response

Counsel for Mr. Januzelli acknowledges that he made a contribution and challenges the allegation that it was impermissible because he made it by money order. She notes that under the Commission's regulations, the limit for cash contributions is \$100, not \$50 as the complainant maintains, and that in any event, money orders are not considered cash, but "written instruments."

With regard to the allegation that Mr. Januzelli permitted Tel-Save to use his name to make a contribution, counsel acknowledges that Tel-Save loaned Mr. Januzelli \$1,000 so that he could in turn contribute to the Greenwood campaign. However, she asserts that he contributed voluntarily and that Tel-Save has a history of loaning money to its employees for personal purposes. In an affidavit attached to the response, Tel-Save's President, Daniel Borislow, states that it is a "practice at Tel-Save to loan funds to employees for personal purposes and I believed these loans were proper personal loans to employees just as others I have made in the past for personal reasons." According to counsel, Tel-Save has outstanding loans to several current and former employees. Counsel also notes that, Mr. Januzelli repaid Tel-Save for his loan and she included a copy of Mr. Januzelli's check, dated July 11 1994, made payable to Tel-Save.

Counsel argues that under the circumstances, Mr. Januzelli did not permit Tel-Save to use his name to make a contribution to the Greenwood campaign. She posits that "while the [Commission's] regulations make clear that loans to candidates or their

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committees are contributions, the regulations do not expressly state that loans to individuals are contributions if the individuals contribute those funds to a candidate." She also asserts that Mr. Januzelli "intended to and believed he was making the contribution from his own personal funds" and that he repaid the loans prior to the time that any questions were raised. Counsel also states that the examples of "contributions in the name of another at 11 C.F.R. § 110.4(b)(2) describe situations in which funds are given to someone to make a contribution, not to situations in which funds are loaned and promptly repaid."

C. Analysis

Under the Federal Election Campaign Act of 1971, as amended (the "Act"), no person shall make contributions of currency to a candidate or political committee which in the aggregate exceed \$100. 2 U.S.C. § 441g. See also 11 C.F.R. § 110.4(c). The Commission's regulations permit contributions to be made by written instrument, including checks and money orders. 11 C.F.R. § 104.8(c). Section 441f of the Act provides that "[n]o person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution."

In light of Section 441g's prohibition against cash contributions in excess of \$100, the complainant's assertion that cash contributions cannot exceed \$50 is simply wrong. Similarly, the assertion that contributions cannot be made by money order is incorrect. However, the allegation that Mr. Januzelli improperly permitted Tel-Save to use his name to make a contribution cannot be so easily dismissed. Indeed, Mr. Januzelli's contribution and

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the contributions from the other Tel-Save employees were all the same amount, \$1,000, and were all made on the same date, April 13, 1994. In addition, each contribution was made in the form of a money order and accompanied by the same transmittal letter, which showed that each contributor was employed by Tel-Save. These are the exact type of factors that evidence a coordinated effort to circumvent the Act's prohibitions and limitations.

Counsel does not deny that Tel-Save gave Mr. Januzelli money so that he could make this contribution. Instead, she maintains that the Commission's regulations "do not make clear that loans to individuals are contributions if the individuals contribute those funds to a candidate." However, the Commission's regulations expressly describe a contribution in the name of another as "[g]iving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made." 11 C.F.R. § 110.4(b)(2)(i). In the matter at hand, Tel-Save provided funds to Mr. Januzelli who in turn made a contribution in his name to the Greenwood campaign. Not only is this type of activity expressly described in the Commission's regulations, but it is the exact type of activity that Section 441f was intended to prohibit.

Likewise, Counsel's distinction that Tel-Save did not give money to Mr. Januzelli, but rather loaned it to him is of little value in the matter at hand. The Commission has consistently held that individuals may not make contributions from refundable

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corporate drawing accounts under the rationale that such funds are the corporation's because the employee is obligated to repay the corporation for any money used. See Advisory Opinions 1990-4, 1985-12 and 1982-11 (funds from non-refundable drawing account are permissible because the funds are a draw on the employee's salary). In the matter at hand, Mr. Januzelli used corporate funds that he was obligated to repay in much the same manner as an employee who uses a refundable corporate drawing account. The only difference here is that the money Tel-Save provided Mr. Januzelli was first used to purchase a money order before being given to the Greenwood campaign.¹

Therefore, there is reason to believe Jason Januzelli violated 2 U.S.C. § 441f.

1. Moreover, no documentation has been provided evidencing the loan to Mr. Januzelli or, for that matter, any other "personal" loans that Tel-Save has a "practice" of making to its employees. Likewise, even though counsel asserts that Mr. Januzelli repaid Tel-Save for his loan, she provided copies of the front side of his purported repayment checks only, thus making it difficult to substantiate the assertion of repayment. Finally, the record is silent as to how and why Mr. Januzelli and ten other employees all decided to secure "loans" from Tel-Save in the same amount on the same date and for the same purpose of making contributions to the same candidate.

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

MUR: 4019

RESPONDENT: Kevin Kelly

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by John P. Murray. See 2 U.S.C. § 437g(a)(1). Mr. Murray questions the contributions that Kevin Kelly and ten other employees from Tel-Save, Inc. ("Tel-Save") made to Congressman James Greenwood's re-election campaign in Pennsylvania's 1994 Eighth Congressional District. Counsel for Mr. Kelly has responded to the complaint.

II. FACTUAL AND LEGAL ANALYSIS

A. Complaint

According to the complainant, a disclosure report filed with the Commission by the Greenwood for Congress Committee and Robert O. Baldi, as treasurer (collectively referred to as the "Committee"), shows that Mr. Kelly and ten other employees from Tel-Save each contributed \$1,000 to the Greenwood campaign on April 29, 1994. The complainant suggests that the contributions "appear to have been made in the employees' names on behalf of someone else virtually making them corporate contributions." The complainant also alleges that each contribution was made in the form of a money order, which, the complainant asserts is subject to a limitation of \$50, "like cash."

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B. Response

Counsel for Mr. Kelly acknowledges that he made a contribution and challenges the allegation that it was impermissible because he made it by money order. She notes that under the Commission's regulations, the limit for cash contributions is \$100, not \$50 as the complainant maintains, and that in any event, money orders are not considered cash, but "written instruments."

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With regard to the allegation that Mr. Kelly permitted Tel-Save to use his name to make a contribution, counsel acknowledges that Tel-Save loaned Mr. Kelly \$1,000 so that he could in turn contribute to the Greenwood campaign. However, she asserts that he contributed voluntarily and that Tel-Save has a history of loaning money to its employees for personal purposes. In an affidavit attached to the response, Tel-Save's President, Daniel Borislow, states that it is a "practice at Tel-Save to loan funds to employees for personal purposes and I believed these loans were proper personal loans to employees just as others I have made in the past for personal reasons." According to counsel, Tel-Save has outstanding loans to several current and former employees. Counsel also notes that, Mr. Kelly repaid Tel-Save for his loan and she included a copy of Mr. Kelly's check, dated July 11 1994, made payable to Tel-Save.

Counsel argues that under the circumstances, Mr. Kelly did not permit Tel-Save to use his name to make a contribution to the Greenwood campaign. She posits that "while the [Commission's] regulations make clear that loans to candidates or their

committees are contributions, the regulations do not expressly state that loans to individuals are contributions if the individuals contribute those funds to a candidate." She also asserts that Mr. Kelly "intended to and believed he was making the contribution from his own personal funds" and that he repaid the loans prior to the time that any questions were raised. Counsel also states that the examples of "contributions in the name of another at 11 C.F.R. § 110.4(b)(2) describe situations in which funds are given to someone to make a contribution, not to situations in which funds are loaned and promptly repaid."

C. Analysis

Under the Federal Election Campaign Act of 1971, as amended (the "Act"), no person shall make contributions of currency to a candidate or political committee which in the aggregate exceed \$100. 2 U.S.C. § 441g. See also 11 C.F.R. § 110.4(c). The Commission's regulations permit contributions to be made by written instrument, including checks and money orders. 11 C.F.R. § 104.8(c). Section 441f of the Act provides that "[n]o person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution."

In light of Section 441g's prohibition against cash contributions in excess of \$100, the complainant's assertion that cash contributions cannot exceed \$50 is simply wrong. Similarly, the assertion that contributions cannot be made by money order is incorrect. However, the allegation that Mr. Kelly improperly permitted Tel-Save to use his name to make a contribution cannot be so easily dismissed. Indeed, Mr. Kelly's contribution and the

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contributions from the other Tel-Save employees were all the same amount, \$1,000, and were all made on the same date, April 13, 1994. In addition, each contribution was made in the form of a money order and accompanied by the same transmittal letter, which showed that each contributor was employed by Tel-Save. These are the exact type of factors that evidence a coordinated effort to circumvent the Act's prohibitions and limitations.

Counsel does not deny that Tel-Save gave Mr. Kelly money so that he could make this contribution. Instead, she maintains that the Commission's regulations "do not make clear that loans to individuals are contributions if the individuals contribute those funds to a candidate." However, the Commission's regulations expressly describe a contribution in the name of another as "[g]iving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made." 11 C.F.R. § 110.4(b)(2)(i). In the matter at hand, Tel-Save provided funds to Mr. Kelly who in turn made a contribution in his name to the Greenwood campaign. Not only is this type of activity expressly described in the Commission's regulations, but it is the exact type of activity that Section 441f was intended to prohibit.

Likewise, Counsel's distinction that Tel-Save did not give money to Mr. Kelly, but rather loaned it to him is of little value in the matter at hand. The Commission has consistently held that individuals may not make contributions from refundable corporate

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drawing accounts under the rationale that such funds are the corporation's because the employee is obligated to repay the corporation for any money used. See Advisory Opinions 1990-4, 1985-12 and 1982-11 (funds from non-refundable drawing account are permissible because the funds are a draw on the employee's salary). In the matter at hand, Mr. Kelly used corporate funds that he was obligated to repay in much the same manner as an employee who uses a refundable corporate drawing account. The only difference here is that the money Tel-Save provided Mr. Kelly was first used to purchase a money order before being given to the Greenwood campaign.¹

Therefore, there is reason to believe Kevin Kelly violated 2 U.S.C. § 441f.

1. Moreover, no documentation has been provided evidencing the loan to Mr. Kelly or, for that matter, any other "personal" loans that Tel-Save has a "practice" of making to its employees. Likewise, even though counsel asserts that Mr. Kelly repaid Tel-Save for his loan, she provided copies of the front side of his purported repayment checks only, thus making it difficult to substantiate the assertion of repayment. Finally, the record is silent as to how and why Mr. Kelly and ten other employees all decided to secure "loans" from Tel-Save in the same amount on the same date and for the same purpose of making contributions to the same candidate.

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

MUR: 4019

RESPONDENT: James Logan

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by John P. Murray. See 2 U.S.C. § 437g(a)(1). Mr. Murray questions the contributions that James Logan and ten other employees from Tel-Save, Inc. ("Tel-Save") made to Congressman James Greenwood's re-election campaign in Pennsylvania's 1994 Eighth Congressional District. Counsel for Mr. Logan has responded to the complaint.

II. FACTUAL AND LEGAL ANALYSIS

A. Complaint

According to the complainant, a disclosure report filed with the Commission by the Greenwood for Congress Committee and Robert O. Baldi, as treasurer (collectively referred to as the "Committee"), shows that Mr. Logan and ten other employees from Tel-Save each contributed \$1,000 to the Greenwood campaign on April 29, 1994. The complainant suggests that the contributions "appear to have been made in the employees' names on behalf of someone else virtually making them corporate contributions." The complainant also alleges that each contribution was made in the form of a money order, which, the complainant asserts is subject to a limitation of \$50, "like cash."

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B. Response

Counsel for Mr. Logan acknowledges that he made a contribution and challenges the allegation that it was impermissible because he made it by money order. She notes that under the Commission's regulations, the limit for cash contributions is \$100, not \$50 as the complainant maintains, and that in any event, money orders are not considered cash, but "written instruments."

With regard to the allegation that Mr. Logan permitted Tel-Save to use his name to make a contribution, counsel acknowledges that Tel-Save loaned Mr. Logan \$1,000 so that he could in turn contribute to the Greenwood campaign. However, she asserts that he contributed voluntarily and that Tel-Save has a history of loaning money to its employees for personal purposes. In an affidavit attached to the response, Tel-Save's President, Daniel Borislow, states that it is a "practice at Tel-Save to loan funds to employees for personal purposes and I believed these loans were proper personal loans to employees just as others I have made in the past for personal reasons." According to counsel, Tel-Save has outstanding loans to several current and former employees. Counsel also notes that, Mr. Logan repaid Tel-Save for his loan and she included a copy of Mr. Logan's check, dated July 11 1994, made payable to Tel-Save.

Counsel argues that under the circumstances, Mr. Logan did not permit Tel-Save to use his name to make a contribution to the Greenwood campaign. She posits that "while the [Commission's] regulations make clear that loans to candidates or their

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committees are contributions, the regulations do not expressly state that loans to individuals are contributions if the individuals contribute those funds to a candidate." She also asserts that Mr. Logan "intended to and believed he was making the contribution from his own personal funds" and that he repaid the loans prior to the time that any questions were raised. Counsel also states that the examples of "contributions in the name of another at 11 C.F.R. § 110.4(b)(2) describe situations in which funds are given to someone to make a contribution, not to situations in which funds are loaned and promptly repaid."

C. Analysis

Under the Federal Election Campaign Act of 1971, as amended (the "Act"), no person shall make contributions of currency to a candidate or political committee which in the aggregate exceed \$100. 2 U.S.C. § 441g. See also 11 C.F.R. § 110.4(c). The Commission's regulations permit contributions to be made by written instrument, including checks and money orders. 11 C.F.R. § 104.8(c). Section 441f of the Act provides that "[n]o person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution."

In light of Section 441g's prohibition against cash contributions in excess of \$100, the complainant's assertion that cash contributions cannot exceed \$50 is simply wrong. Similarly, the assertion that contributions cannot be made by money order is incorrect. However, the allegation that Mr. Logan improperly permitted Tel-Save to use his name to make a contribution cannot be so easily dismissed. Indeed, Mr. Logan's contribution and the

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contributions from the other Tel-Save employees were all the same amount, \$1,000, and were all made on the same date, April 13, 1994. In addition, each contribution was made in the form of a money order and accompanied by the same transmittal letter, which showed that each contributor was employed by Tel-Save. These are the exact type of factors that evidence a coordinated effort to circumvent the Act's prohibitions and limitations.

Counsel does not deny that Tel-Save gave Mr. Logan money so that he could make this contribution. Instead, she maintains that the Commission's regulations "do not make clear that loans to individuals are contributions if the individuals contribute those funds to a candidate." However, the Commission's regulations expressly describe a contribution in the name of another as "[g]iving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made." 11 C.F.R. § 110.4(b)(2)(i). In the matter at hand, Tel-Save provided funds to Mr. Logan who in turn made a contribution in his name to the Greenwood campaign. Not only is this type of activity expressly described in the Commission's regulations, but it is the exact type of activity that Section 441f was intended to prohibit.

Likewise, Counsel's distinction that Tel-Save did not give money to Mr. Logan, but rather loaned it to him is of little value in the matter at hand. The Commission has consistently held that individuals may not make contributions from refundable corporate

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drawing accounts under the rationale that such funds are the corporation's because the employee is obligated to repay the corporation for any money used. See Advisory Opinions 1990-4, 1985-12 and 1982-11 (funds from non-refundable drawing account are permissible because the funds are a draw on the employee's salary). In the matter at hand, Mr. Logan used corporate funds that he was obligated to repay in much the same manner as an employee who uses a refundable corporate drawing account. The only difference here is that the money Tel-Save provided Mr. Logan was first used to purchase a money order before being given to the Greenwood campaign.¹

Therefore, there is reason to believe James Logan violated 2 U.S.C. § 441f.

1. Moreover, no documentation has been provided evidencing the loan to Mr. Logan or, for that matter, any other "personal" loans that Tel-Save has a "practice" of making to its employees. Likewise, even though counsel asserts that Mr. Logan repaid Tel-Save for his loan, she provided copies of the front side of his purported repayment checks only, thus making it difficult to substantiate the assertion of repayment. Finally, the record is silent as to how and why Mr. Logan and ten other employees all decided to secure "loans" from Tel-Save in the same amount on the same date and for the same purpose of making contributions to the same candidate.

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

MUR: 4019

RESPONDENT: Greg Luff

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by John P. Murray. See 2 U.S.C. § 437g(a)(1). Mr. Murray questions the contributions that Greg Luff and ten other employees from Tel-Save, Inc. ("Tel-Save") made to Congressman James Greenwood's re-election campaign in Pennsylvania's 1994 Eighth Congressional District. Counsel for Mr. Luff has responded to the complaint.

II. FACTUAL AND LEGAL ANALYSIS

A. Complaint

According to the complainant, a disclosure report filed with the Commission by the Greenwood for Congress Committee and Robert O. Baldi, as treasurer (collectively referred to as the "Committee"), shows that Mr. Luff and ten other employees from Tel-Save each contributed \$1,000 to the Greenwood campaign on April 29, 1994. The complainant suggests that the contributions "appear to have been made in the employees' names on behalf of someone else virtually making them corporate contributions." The complainant also alleges that each contribution was made in the form of a money order, which, the complainant asserts is subject to a limitation of \$50, "like cash."

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B. Response

Counsel for Mr. Luff acknowledges that he made a contribution and challenges the allegation that it was impermissible because he made it by money order. She notes that under the Commission's regulations, the limit for cash contributions is \$100, not \$50 as the complainant maintains, and that in any event, money orders are not considered cash, but "written instruments."

With regard to the allegation that Mr. Luff permitted Tel-Save to use his name to make a contribution, counsel acknowledges that Tel-Save loaned Mr. Luff \$1,000 so that he could in turn contribute to the Greenwood campaign. However, she asserts that he contributed voluntarily and that Tel-Save has a history of loaning money to its employees for personal purposes. In an affidavit attached to the response, Tel-Save's President, Daniel Borislow, states that it is a "practice at Tel-Save to loan funds to employees for personal purposes and I believed these loans were proper personal loans to employees just as others I have made in the past for personal reasons." According to counsel, Tel-Save has outstanding loans to several current and former employees. Counsel also notes that, Mr. Luff repaid Tel-Save for his loan and she included a copy of Mr. Luff's check, dated July 11 1994, made payable to Tel-Save.

Counsel argues that under the circumstances, Mr. Luff did not permit Tel-Save to use his name to make a contribution to the Greenwood campaign. She posits that "while the [Commission's] regulations make clear that loans to candidates or their

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committees are contributions, the regulations do not expressly state that loans to individuals are contributions if the individuals contribute those funds to a candidate." She also asserts that Mr. Luff "intended to and believed he was making the contribution from his own personal funds" and that he repaid the loans prior to the time that any questions were raised. Counsel also states that the examples of "contributions in the name of another at 11 C.F.R. § 110.4(b)(2) describe situations in which funds are given to someone to make a contribution, not to situations in which funds are loaned and promptly repaid."

C. Analysis

Under the Federal Election Campaign Act of 1971, as amended (the "Act"), no person shall make contributions of currency to a candidate or political committee which in the aggregate exceed \$100. 2 U.S.C. § 441g. See also 11 C.F.R. § 110.4(c). The Commission's regulations permit contributions to be made by written instrument, including checks and money orders. 11 C.F.R. § 104.8(c). Section 441f of the Act provides that "[n]o person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution."

In light of Section 441g's prohibition against cash contributions in excess of \$100, the complainant's assertion that cash contributions cannot exceed \$50 is simply wrong. Similarly, the assertion that contributions cannot be made by money order is incorrect. However, the allegation that Mr. Luff improperly permitted Tel-Save to use his name to make a contribution cannot be so easily dismissed. Indeed, Mr. Luff's contribution and the

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contributions from the other Tel-Save employees were all the same amount, \$1,000, and were all made on the same date, April 13, 1994. In addition, each contribution was made in the form of a money order and accompanied by the same transmittal letter, which showed that each contributor was employed by Tel-Save. These are the exact type of factors that evidence a coordinated effort to circumvent the Act's prohibitions and limitations.

Counsel does not deny that Tel-Save gave Mr. Luff money so that he could make this contribution. Instead, she maintains that the Commission's regulations "do not make clear that loans to individuals are contributions if the individuals contribute those funds to a candidate." However, the Commission's regulations expressly describe a contribution in the name of another as "[g]iving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made." 11 C.F.R. § 110.4(b)(2)(i). In the matter at hand, Tel-Save provided funds to Mr. Luff who in turn made a contribution in his name to the Greenwood campaign. Not only is this type of activity expressly described in the Commission's regulations, but it is the exact type of activity that Section 441f was intended to prohibit.

Likewise, Counsel's distinction that Tel-Save did not give money to Mr. Luff, but rather loaned it to him is of little value in the matter at hand. The Commission has consistently held that individuals may not make contributions from refundable corporate

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drawing accounts under the rationale that such funds are the corporation's because the employee is obligated to repay the corporation for any money used. See Advisory Opinions 1990-4, 1985-12 and 1982-11 (funds from non-refundable drawing account are permissible because the funds are a draw on the employee's salary). In the matter at hand, Mr. Luff used corporate funds that he was obligated to repay in much the same manner as an employee who uses a refundable corporate drawing account. The only difference here is that the money Tel-Save provided Mr. Luff was first used to purchase a money order before being given to the Greenwood campaign.¹

Therefore, there is reason to believe Greg Luff violated 2 U.S.C. § 441f.

1. Moreover, no documentation has been provided evidencing the loan to Mr. Luff or, for that matter, any other "personal" loans that Tel-Save has a "practice" of making to its employees. Likewise, even though counsel asserts that Mr. Luff repaid Tel-Save for his loan, she provided copies of the front side of his purported repayment checks only, thus making it difficult to substantiate the assertion of repayment. Finally, the record is silent as to how and why Mr. Luff and ten other employees all decided to secure "loans" from Tel-Save in the same amount on the same date and for the same purpose of making contributions to the same candidate.

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

MUR: 4019

RESPONDENT: Gary McCulla

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by John P. Murray. See 2 U.S.C. § 437g(a)(1). Mr. Murray questions the contributions that Gary McCulla and ten other employees from Tel-Save, Inc. ("Tel-Save") made to Congressman James Greenwood's re-election campaign in Pennsylvania's 1994 Eighth Congressional District. Counsel for Mr. McCulla has responded to the complaint.

II. FACTUAL AND LEGAL ANALYSIS

A. Complaint

According to the complainant, a disclosure report filed with the Commission by the Greenwood for Congress Committee and Robert O. Baldi, as treasurer (collectively referred to as the "Committee"), shows that Mr. McCulla and ten other employees from Tel-Save each contributed \$1,000 to the Greenwood campaign on April 29, 1994. The complainant suggests that the contributions "appear to have been made in the employees' names on behalf of someone else virtually making them corporate contributions." The complainant also alleges that each contribution was made in the form of a money order, which, the complainant asserts is subject to a limitation of \$50, "like cash."

B. Response

Counsel for Mr. McCulla acknowledges that he made a

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contribution and challenges the allegation that it was impermissible because he made it by money order. She notes that under the Commission's regulations, the limit for cash contributions is \$100, not \$50 as the complainant maintains, and that in any event, money orders are not considered cash, but "written instruments."

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With regard to the allegation that Mr. McCulla permitted Tel-Save to use his name to make a contribution, counsel acknowledges that Tel-Save loaned Mr. McCulla \$1,000 so that he could in turn contribute to the Greenwood campaign. However, she asserts that he contributed voluntarily and that Tel-Save has a history of loaning money to its employees for personal purposes. In an affidavit attached to the response, Tel-Save's President, Daniel Borislow, states that it is a "practice at Tel-Save to loan funds to employees for personal purposes and I believed these loans were proper personal loans to employees just as others I have made in the past for personal reasons." According to counsel, Tel-Save has outstanding loans to several current and former employees. Counsel also notes that, Mr. McCulla repaid Tel-Save for his loan and she included a copy of Mr. McCulla's check, dated July 11 1994, made payable to Tel-Save.

Counsel argues that under the circumstances, Mr. McCulla did not permit Tel-Save to use his name to make a contribution to the Greenwood campaign. She posits that "while the [Commission's] regulations make clear that loans to candidates or their committees are contributions, the regulations do not expressly state that loans to individuals are contributions if the

individuals contribute those funds to a candidate." She also asserts that Mr. McCulla "intended to and believed he was making the contribution from his own personal funds" and that he repaid the loans prior to the time that any questions were raised. Counsel also states that the examples of "contributions in the name of another at 11 C.F.R. § 110.4(b)(2) describe situations in which funds are given to someone to make a contribution, not to situations in which funds are loaned and promptly repaid."

C. Analysis

Under the Federal Election Campaign Act of 1971, as amended (the "Act"), no person shall make contributions of currency to a candidate or political committee which in the aggregate exceed \$100. 2 U.S.C. § 441g. See also 11 C.F.R. § 110.4(c). The Commission's regulations permit contributions to be made by written instrument, including checks and money orders. 11 C.F.R. § 104.8(c). Section 441f of the Act provides that "[n]o person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution."

In light of Section 441g's prohibition against cash contributions in excess of \$100, the complainant's assertion that cash contributions cannot exceed \$50 is simply wrong. Similarly, the assertion that contributions cannot be made by money order is incorrect. However, the allegation that Mr. McCulla improperly permitted Tel-Save to use his name to make a contribution cannot be so easily dismissed. Indeed, Mr. McCulla's contribution and the contributions from the other Tel-Save employees were all the same amount, \$1,000, and were all made on the same date, April 13,

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1994. In addition, each contribution was made in the form of a money order and accompanied by the same transmittal letter, which showed that each contributor was employed by Tel-Save. These are the exact type of factors that evidence a coordinated effort to circumvent the Act's prohibitions and limitations.

Counsel does not deny that Tel-Save gave Mr. McCulla money so that he could make this contribution. Instead, she maintains that the Commission's regulations "do not make clear that loans to individuals are contributions if the individuals contribute those funds to a candidate." However, the Commission's regulations expressly describe a contribution in the name of another as "[g]iving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made." 11 C.F.R. § 110.4(b)(2)(i). In the matter at hand, Tel-Save provided funds to Mr. McCulla who in turn made a contribution in his name to the Greenwood campaign. Not only is this type of activity expressly described in the Commission's regulations, but it is the exact type of activity that Section 441f was intended to prohibit.

Likewise, Counsel's distinction that Tel-Save did not give money to Mr. McCulla, but rather loaned it to him is of little value in the matter at hand. The Commission has consistently held that individuals may not make contributions from refundable corporate drawing accounts under the rationale that such funds are the corporation's because the employee is obligated to repay the

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corporation for any money used. See Advisory Opinions 1990-4, 1985-12 and 1982-11 (funds from non-refundable drawing account are permissible because the funds are a draw on the employee's salary). In the matter at hand, Mr. McCulla used corporate funds that he was obligated to repay in much the same manner as an employee who uses a refundable corporate drawing account. The only difference here is that the money Tel-Save provided Mr. McCulla was first used to purchase a money order before being given to the Greenwood campaign.¹

Therefore, there is reason to believe Gary McCulla violated 2 U.S.C. § 441f.

1. Moreover, no documentation has been provided evidencing the loan to Mr. McCulla or, for that matter, any other "personal" loans that Tel-Save has a "practice" of making to its employees. Likewise, even though counsel asserts that Mr. McCulla repaid Tel-Save for his loan, she provided copies of the front side of his purported repayment checks only, thus making it difficult to substantiate the assertion of repayment. Finally, the record is silent as to how and why Mr. McCulla and ten other employees all decided to secure "loans" from Tel-Save in the same amount on the same date and for the same purpose of making contributions to the same candidate.

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

MUR: 4019

RESPONDENT: Peter Morrison

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by John P. Murray. See 2 U.S.C. § 437g(a)(1). Mr. Murray questions the contributions that Peter Morrison and ten other employees from Tel-Save, Inc. ("Tel-Save") made to Congressman James Greenwood's re-election campaign in Pennsylvania's 1994 Eighth Congressional District. Counsel for Mr. Morrison has responded to the complaint.

II. FACTUAL AND LEGAL ANALYSIS

A. Complaint

According to the complainant, a disclosure report filed with the Commission by the Greenwood for Congress Committee and Robert O. Baldi, as treasurer (collectively referred to as the "Committee"), shows that Mr. Morrison and ten other employees from Tel-Save each contributed \$1,000 to the Greenwood campaign on April 29, 1994. The complainant suggests that the contributions "appear to have been made in the employees' names on behalf of someone else virtually making them corporate contributions." The complainant also alleges that each contribution was made in the form of a money order, which, the complainant asserts is subject to a limitation of \$50, "like cash."

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B. Response

Counsel for Mr. Morrison acknowledges that he made a contribution and challenges the allegation that it was impermissible because he made it by money order. She notes that under the Commission's regulations, the limit for cash contributions is \$100, not \$50 as the complainant maintains, and that in any event, money orders are not considered cash, but "written instruments."

With regard to the allegation that Mr. Morrison permitted Tel-Save to use his name to make a contribution, counsel acknowledges that Tel-Save loaned Mr. Morrison \$1,000 so that he could in turn contribute to the Greenwood campaign. However, she asserts that he contributed voluntarily and that Tel-Save has a history of loaning money to its employees for personal purposes. In an affidavit attached to the response, Tel-Save's President, Daniel Borislow, states that it is a "practice at Tel-Save to loan funds to employees for personal purposes and I believed these loans were proper personal loans to employees just as others I have made in the past for personal reasons." According to counsel, Tel-Save has outstanding loans to several current and former employees. Counsel also notes that, Mr. Morrison repaid Tel-Save for his loan and she included a copy of Mr. Morrison's check, dated July 11 1994, made payable to Tel-Save.

Counsel argues that under the circumstances, Mr. Morrison did not permit Tel-Save to use his name to make a contribution to the Greenwood campaign. She posits that "while the [Commission's] regulations make clear that loans to candidates or their

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committees are contributions, the regulations do not expressly state that loans to individuals are contributions if the individuals contribute those funds to a candidate." She also asserts that Mr. Morrison "intended to and believed he was making the contribution from his own personal funds" and that he repaid the loans prior to the time that any questions were raised. Counsel also states that the examples of "contributions in the name of another at 11 C.F.R. § 110.4(b)(2) describe situations in which funds are given to someone to make a contribution, not to situations in which funds are loaned and promptly repaid."

C. Analysis

Under the Federal Election Campaign Act of 1971, as amended (the "Act"), no person shall make contributions of currency to a candidate or political committee which in the aggregate exceed \$100. 2 U.S.C. § 441g. See also 11 C.F.R. § 110.4(c). The Commission's regulations permit contributions to be made by written instrument, including checks and money orders. 11 C.F.R. § 104.8(c). Section 441f of the Act provides that "[n]o person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution."

In light of Section 441g's prohibition against cash contributions in excess of \$100, the complainant's assertion that cash contributions cannot exceed \$50 is simply wrong. Similarly, the assertion that contributions cannot be made by money order is incorrect. However, the allegation that Mr. Morrison improperly permitted Tel-Save to use his name to make a contribution cannot be so easily dismissed. Indeed, Mr. Morrison's contribution and

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the contributions from the other Tel-Save employees were all the same amount, \$1,000, and were all made on the same date, April 13, 1994. In addition, each contribution was made in the form of a money order and accompanied by the same transmittal letter, which showed that each contributor was employed by Tel-Save. These are the exact type of factors that evidence a coordinated effort to circumvent the Act's prohibitions and limitations.

Counsel does not deny that Tel-Save gave Mr. Morrison money so that he could make this contribution. Instead, she maintains that the Commission's regulations "do not make clear that loans to individuals are contributions if the individuals contribute those funds to a candidate." However, the Commission's regulations expressly describe a contribution in the name of another as "[g]iving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made." 11 C.F.R. § 110.4(b)(2)(i). In the matter at hand, Tel-Save provided funds to Mr. Morrison who in turn made a contribution in his name to the Greenwood campaign. Not only is this type of activity expressly described in the Commission's regulations, but it is the exact type of activity that Section 441f was intended to prohibit.

Likewise, Counsel's distinction that Tel-Save did not give money to Mr. Morrison, but rather loaned it to him is of little value in the matter at hand. The Commission has consistently held that individuals may not make contributions from refundable

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corporate drawing accounts under the rationale that such funds are the corporation's because the employee is obligated to repay the corporation for any money used. See Advisory Opinions 1990-4, 1985-12 and 1982-11 (funds from non-refundable drawing account are permissible because the funds are a draw on the employee's salary). In the matter at hand, Mr. Morrison used corporate funds that he was obligated to repay in much the same manner as an employee who uses a refundable corporate drawing account. The only difference here is that the money Tel-Save provided Mr. Morrison was first used to purchase a money order before being given to the Greenwood campaign.¹

Therefore, there is reason to believe Peter Morrison violated 2 U.S.C. § 441f.

1. Moreover, no documentation has been provided evidencing the loan to Mr. Morrison or, for that matter, any other "personal" loans that Tel-Save has a "practice" of making to its employees. Likewise, even though counsel asserts that Mr. Morrison repaid Tel-Save for his loan, she provided copies of the front side of his purported repayment checks only, thus making it difficult to substantiate the assertion of repayment. Finally, the record is silent as to how and why Mr. Morrison and ten other employees all decided to secure "loans" from Tel-Save in the same amount on the same date and for the same purpose of making contributions to the same candidate.

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

MUR: 4019

RESPONDENT: Deron Ruby

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by John P. Murray. See 2 U.S.C. § 437g(a)(1). Mr. Murray questions the contributions that Deron Ruby and ten other employees from Tel-Save, Inc. ("Tel-Save") made to Congressman James Greenwood's re-election campaign in Pennsylvania's 1994 Eighth Congressional District. Counsel for Mr. Ruby has responded to the complaint.

II. FACTUAL AND LEGAL ANALYSIS

A. Complaint

According to the complainant, a disclosure report filed with the Commission by the Greenwood for Congress Committee and Robert O. Baldi, as treasurer (collectively referred to as the "Committee"), shows that Mr. Ruby and ten other employees from Tel-Save each contributed \$1,000 to the Greenwood campaign on April 29, 1994. The complainant suggests that the contributions "appear to have been made in the employees' names on behalf of someone else virtually making them corporate contributions." The complainant also alleges that each contribution was made in the form of a money order, which, the complainant asserts is subject to a limitation of \$50, "like cash."

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B. Response

Counsel for Mr. Ruby acknowledges that he made a contribution and challenges the allegation that it was impermissible because he made it by money order. She notes that under the Commission's regulations, the limit for cash contributions is \$100, not \$50 as the complainant maintains, and that in any event, money orders are not considered cash, but "written instruments."

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With regard to the allegation that Mr. Ruby permitted Tel-Save to use his name to make a contribution, counsel acknowledges that Tel-Save loaned Mr. Ruby \$1,000 so that he could in turn contribute to the Greenwood campaign. However, she asserts that he contributed voluntarily and that Tel-Save has a history of loaning money to its employees for personal purposes. In an affidavit attached to the response, Tel-Save's President, Daniel Borislow, states that it is a "practice at Tel-Save to loan funds to employees for personal purposes and I believed these loans were proper personal loans to employees just as others I have made in the past for personal reasons." According to counsel, Tel-Save has outstanding loans to several current and former employees. Counsel also notes that, Mr. Ruby repaid Tel-Save for his loan and she included a copy of Mr. Ruby's check, dated July 11 1994, made payable to Tel-Save.

Counsel argues that under the circumstances, Mr. Ruby did not permit Tel-Save to use his name to make a contribution to the Greenwood campaign. She posits that "while the [Commission's] regulations make clear that loans to candidates or their

committees are contributions, the regulations do not expressly state that loans to individuals are contributions if the individuals contribute those funds to a candidate." She also asserts that Mr. Ruby "intended to and believed he was making the contribution from his own personal funds" and that he repaid the loans prior to the time that any questions were raised. Counsel also states that the examples of "contributions in the name of another at 11 C.F.R. § 110.4(b)(2) describe situations in which funds are given to someone to make a contribution, not to situations in which funds are loaned and promptly repaid."

C. Analysis

Under the Federal Election Campaign Act of 1971, as amended (the "Act"), no person shall make contributions of currency to a candidate or political committee which in the aggregate exceed \$100. 2 U.S.C. § 441g. See also 11 C.F.R. § 110.4(c). The Commission's regulations permit contributions to be made by written instrument, including checks and money orders. 11 C.F.R. § 104.8(c). Section 441f of the Act provides that "[n]o person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution."

In light of Section 441g's prohibition against cash contributions in excess of \$100, the complainant's assertion that cash contributions cannot exceed \$50 is simply wrong. Similarly, the assertion that contributions cannot be made by money order is incorrect. However, the allegation that Mr. Ruby improperly permitted Tel-Save to use his name to make a contribution cannot be so easily dismissed. Indeed, Mr. Ruby's contribution and the

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contributions from the other Tel-Save employees were all the same amount, \$1,000, and were all made on the same date, April 13, 1994. In addition, each contribution was made in the form of a money order and accompanied by the same transmittal letter, which showed that each contributor was employed by Tel-Save. These are the exact type of factors that evidence a coordinated effort to circumvent the Act's prohibitions and limitations.

Counsel does not deny that Tel-Save gave Mr. Ruby money so that he could make this contribution. Instead, she maintains that the Commission's regulations "do not make clear that loans to individuals are contributions if the individuals contribute those funds to a candidate." However, the Commission's regulations expressly describe a contribution in the name of another as "[g]iving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made." 11 C.F.R. § 110.4(b)(2)(i). In the matter at hand, Tel-Save provided funds to Mr. Ruby who in turn made a contribution in his name to the Greenwood campaign. Not only is this type of activity expressly described in the Commission's regulations, but it is the exact type of activity that Section 441f was intended to prohibit.

Likewise, Counsel's distinction that Tel-Save did not give money to Mr. Ruby, but rather loaned it to him is of little value in the matter at hand. The Commission has consistently held that individuals may not make contributions from refundable corporate

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drawing accounts under the rationale that such funds are the corporation's because the employee is obligated to repay the corporation for any money used. See Advisory Opinions 1990-4, 1985-12 and 1982-11 (funds from non-refundable drawing account are permissible because the funds are a draw on the employee's salary). In the matter at hand, Mr. Ruby used corporate funds that he was obligated to repay in much the same manner as an employee who uses a refundable corporate drawing account. The only difference here is that the money Tel-Save provided Mr. Ruby was first used to purchase a money order before being given to the Greenwood campaign.¹

Therefore, there is reason to believe Deron Ruby violated 2 U.S.C. § 441f.

1. Moreover, no documentation has been provided evidencing the loan to Mr. Ruby or, for that matter, any other "personal" loans that Tel-Save has a "practice" of making to its employees. Likewise, even though counsel asserts that Mr. Ruby repaid Tel-Save for his loan, she provided copies of the front side of his purported repayment checks only, thus making it difficult to substantiate the assertion of repayment. Finally, the record is silent as to how and why Mr. Ruby and ten other employees all decided to secure "loans" from Tel-Save in the same amount on the same date and for the same purpose of making contributions to the same candidate.

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OLDAKER, RYAN & LEONARD

ATTORNEYS AT LAW

818 CONNECTICUT AVENUE, N.W.

SUITE 1100

WASHINGTON, D.C. 20006

(202) 728-1010

FACSIMILE (202) 728-4044

May 5, 1995

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

MAY 5 3 55 PM '95

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL

RE: MUR 4019

Dear Mr. Reffner:

This letter is written on behalf of Tel-Serve, Inc., Daniel Borislav, President, and Raymond Battistini, Emanuel DeMato, David Gross, Jason Jammali, Kevin Kelly, James Logan, Greg Luff, Gary McCalla, Peter Morrison and Deron Ruby, the respondents in the above-mentioned matter.

We are requesting an extension of time to respond to the Commission's finding of reason to believe in MUR 4019. We received your notification letter on April 27, making the response due on April 12. However, due to other deadlines facing counsel and additional time needed to meet and discuss this matter with my clients, we are requesting an extension of twenty days from the original due date, making our response due on June 1, 1995.

We would greatly appreciate your assistance in this matter.

Sincerely,



Lyn Utrecht

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FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

May 10, 1995

Lyn Utrecht, Esq.
Oldaker, Ryan & Leonard
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

RE: MUR 4019

Dear Ms. Utrecht:

This will confirm our May 8, 1995, telephone conversations concerning your request for an extension to June 1, 1995, to respond to the Commission's Factual and Legal Analyses in the above-referenced matter. As we discussed, at the time that you submit your response to the Factual and Legal Analyses, you intend to also submit a counter-proposal to the conciliation agreements that the Commission approved in settlement of this matter prior to finding of probable cause to believe.

Based upon the circumstances presented in your letter as well as our telephone conversations, this Office has granted the requested extension. Accordingly, your response to the Factual and Legal Analyses as well as the conciliation agreements approved by the Commission are due on June 1, 1995. In addition, and as I explained, since the time period for conciliation negotiations at this stage of the enforcement process expires on May 27, 1995, before your response is due, this Office will also extend the period for conciliation negotiations to June 15, 1995.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Craig D. Reffner".

Craig D. Reffner
Attorney

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OLDAKER, RYAN & LEONARD

ATTORNEYS AT LAW

818 CONNECTICUT AVENUE, N.W.

SUITE 1100

WASHINGTON, D.C. 20006

(202) 728-1010

FACSIMILE (202) 728-4044

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COMMISSION
MAIL ROOM

JUN 1 5 12 PM '95

LYN UTRECHT

June 1, 1995

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

RE: MUR 4019

Tel-Save, Inc., and Daniel Borislow,
Emanuel DeMaio, David Gross, Jason
Januzelli, Kevin Kelly, James Logan,
Greg Luff, Gary McCulla, Pete
Morrison, Deron Ruby, Raymond
Battistini.

Dear Mr. Noble:

This letter is submitted on behalf of Tel-Save, Inc. ("Tel-Save" or "the corporation"). Daniel Borislow, Emanuel DeMaio, David Gross, Jason Januzelli, Kevin Kelly, James Logan, Greg Luff, Gary McCulla, Peter Morrison, Deron Ruby and Raymond Battistini, in response to the Commission's finding of reason to believe in the above-referenced matter. Despite the Commission's initial denial of our request that no further action be taken, we are taking the opportunity to ask the Commission to give serious consideration to the circumstances outlined below and to carefully review the attached individual affidavits and copies of the employees' cheques written to Tel-Save for repayment of the loans. We also would like to restate our request that this complaint be immediately resolved and that the Commission close its file as to this matter.

The Commission's Factual and Legal Analysis ("Staff Analysis") indicates that the Tel-Save loans to its employees were not repaid, resulting in a corporate contribution to Congressman Greenwood in violation of 2 U.S.C. §441b. Specifically, it notes that the Respondents did not provide copies of the back side of the reimbursement checks, making it unascertainable whether or not the loans were actually repaid. Staff Analysis, at fn. 1, p. 5. This assertion is simply false and contrary to the statements provided in our initial response. In an attempt to clarify this matter and to eliminate any question that the

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funds in question were in fact loans and individual contributions to the candidate, we have attached copies of both sides of the repayment checks.¹ Moreover, it should be brought to the Commission's attention that the loans were repaid prior to the date of the complaint filed in this matter, with the exception of Raymond Battistini (*see* fn. 1 below) demonstrating the intention of the employees to repay the loans without coercion by this matter.

The Staff Analysis also points out that the Respondents failed to provide evidence that Tel-Save had a practice of making loans to its employees for personal purposes. Staff Analysis at fn. 1, p. 5. Notwithstanding the sworn statement of Daniel Borislow in his original affidavit as to the truth of this issue, we have included additional information which specifies the dates of loans made prior to the loans in question, the names of the Tel-Save employees who received the loans, the amount of the loans, the purposes for which they were made and whether or not they have been repaid. Such information clearly demonstrates the regularity of personal loans administered by Tel-Save and lends further credence to our argument that the employees would not believe that the funds loaned to make the political contributions in question were any different than the funds previously loaned for personal purposes. In fact, all eleven Respondents clearly understood that these funds were loans for the purpose of making individual contributions to Congressman Greenwood, were to be repaid from personal funds and were purely voluntary.

Contrary to the Staff Analysis, Daniel Borislow did not consider the eleven \$1,000 individual loans, including the loan to himself, as a corporate contribution, nor did he intend to make a contribution other than his own. Thus, the accusation that he "knowingly and willfully" violated 2 U.S.C. §§ 441b and 441f is unjust and incorrect. Daniel Borislow made the loans to employees for only one reason -- as personal loans for the purpose of making voluntary individual candidate contributions. As he attested to in his affidavit dated September 1994, Daniel Borislow had no knowledge or information that a corporate loan to an employee could in any way be considered an improper contribution from the corporation. There is no reason why he should have recognized or regarded these transactions as violations of the Act. He was unfamiliar with the complexities of the law and unaware of any error in judgment. To insist that he was knowledgeable about this misconception is unfair and unwarranted, particularly in light of the indisputable fact that the loans were repaid prior to the filing of the complaint. Ultimately Mr. Daniel Borislow "unintentional" error is being misrepresented as a deliberate attempt to circumvent regulations of which he was unaware.

¹ We have provided copies of the backs of all checks except for Raymond Battistini who repaid Tel-Save the full amount of the loan on May 24, 1995. When a copy of the check becomes available, we will forward it to the FEC.

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Furthermore, the Commission relies purely upon speculation and a series of news articles -- specifically one statement by Daniel Borislow quoted in a local newspaper² -- to support its finding that Daniel Borislow knowingly orchestrated the raising of the contributions and willfully violated 2 U.S.C. §§ 441b and 441f. Staff Analysis at p. 7. We find that the Staff Analysis' use of newspaper articles as supporting documentation of its finding is unfair. Daniel Borislow's statement simply explained why the Tel-Save employees were making contributions to their Congressman. The Staff Analysis attempts to grossly distort a quote which itself was printed out of context.

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Tel-Save is an S-Corporation organized under the laws of Pennsylvania in May 1989. Daniel Borislow was an entrepreneur who hit upon an idea that was not only marketable, but extremely profitable. He had no prior experience running a white-collar business, let alone lobbying or making political contributions. When Congress was considering legislation last session which would negatively impact upon his business and threaten the livelihood of himself and his employees, the individuals decided to become politically active and to support the candidate who represented Tel-Save's district and whose views were comparable to their own. While the news articles support the fact that Daniel Borislow made a permissible contribution to a local candidate who would support legislation that would protect his business, they do not provide evidence that Daniel Borislow was familiar with FEC laws and regulations, he purposefully consented to the making of a corporate contribution, or that the individuals did not make the contributions on their own accord. In fact, the news article relied on by the Commission gives no other information about the circumstances surrounding the making of the loans or the giving of the contributions. We ask the Commission to give more weight to the individual's sworn statements and the facts given in the response, rather than quotations from the press.

Furthermore, when Daniel Borislow first realized that the contributions could be misconstrued to be corporate contributions, he immediately made an effort to correct the situation and resolve the matter. Daniel Borislow requested that all of the employees involved in making political contributions from their personal loans promptly repay the loans to Tel-Save in full. Accordingly, all loans were repaid in full. As previously stated, the loans were repaid prior to the notification being filed with the exception of Raymond Battistini (see fn. 1 at p.1), or any prompting by the FEC.

The Commission further alleges that Emanuel DeMaio, David Gross, Jason Januzelli, Kevin Kelly, James Logan, Greg Luff, Gary McCulla, Peter Morrison, Deron Ruby and Raymond Battistini have violated 2 U.S.C. § 441f when they permitted their names to be used by Tel-Save to make a contribution to Congressman Greenwood's committee. Again, this is simply untrue. The employees made individual contributions

² "Greenwood is my Congressman. He takes care of us, and we're supposed to take care of him." The Morning Call, July 23, 1994, Section B at 3.

in their own names with an accompanying letter stating that the contribution was from the individual, not the corporation. While the accompanying letters used identical language since they decided together to make the contributions, the individuals believed that they were making a contribution from personal funds and they repaid the loans in full from personal funds.

While it is important that the FEC make efforts to ensure that corporations and individuals comply with its regulations, it is unnecessary to misconstrue innocent actions in order to find a violation of the Act. It is also unfair to penalize individuals who have never made a political contribution before the matter in question for attempting to become involved in the political process. By assuming knowledge of FEC regulations and interpreting mistaken individual actions to be organized corporate activity, the Commission is discouraging the Respondents in this case from ever making political contributions, let alone being involved in the political process.

Sincerely,



Lyn Utrecht

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KEVIN KELLY
22 FITZWATERTOWN RD B8
WILLOW GROVE, PA 19090

1143

July 15 1994

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Pay to the order of Tel-Save Inc. \$ 1,000.00

one thousand 00/100

 **Mellon PSFS**
Mellon Bank, N.A.
Philadelphia, PA

Memo

Loan amount 



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19 JUL 94

PAY TO THE ORDER OF
JEFFERSON BANK
PHILADELPHIA, PA 19106
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PHILADELPHIA, PA 19108
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TEL-SAVE
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D Emanuel J. Demaio
Suzanne L. Demaio
79 Rockland Dr.
Mechanic Station, NJ 08853

July 1 19 1869
55-7230/2212

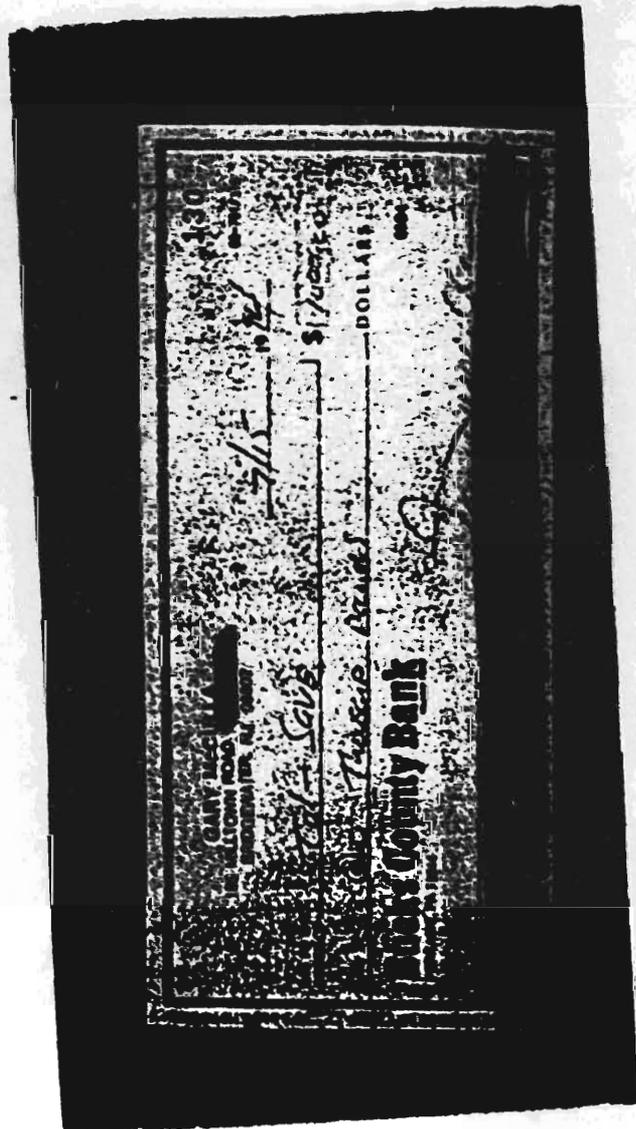
Pay to the order of: Tel-sare \$ 1000.00
One thousand / 00 dollars

THE PROVIDENT SAVINGS BANK
HILLSBOROUGH TOWNSHIP OFFICE 38
CHECK PROCESSING CENTER
830 BERGEN AVE. JERSEY CITY NJ 07306

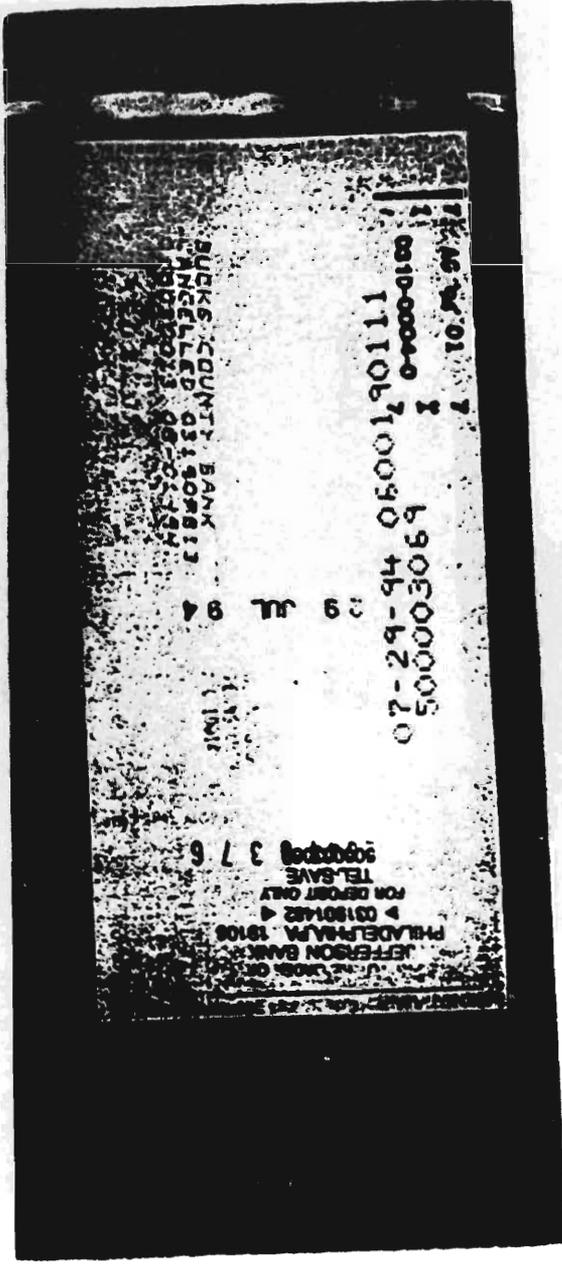
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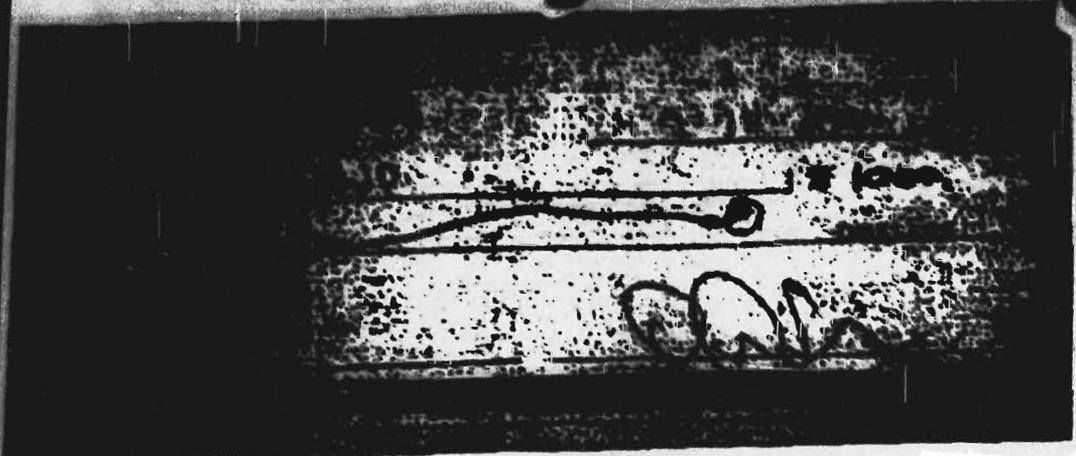
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DAVID GROSS
1503A MARCEY PLACE
PHILADELPHIA PA 19115

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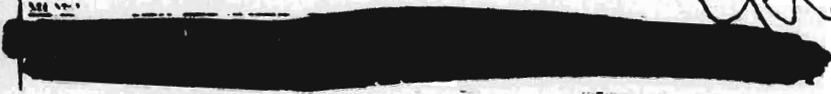
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\$ 1000.00

DOLLARS

Meridian
Bank





RAYMOND BATTISTINI
723 WASHINGTON PLACE, CHESTERBROOK
WAYNE, PA 19087

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Pay to the order of TELSAR INC.

\$ 1,000.00

One thousand

~~1000.00~~

Meridian
Bank

Ray Battistini

~~_____~~

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OLDAKER, RYAN & LEONARD

ATTORNEYS AT LAW

818 CONNECTICUT AVENUE, N.W.

SUITE 1100

WASHINGTON, D.C. 20008

(202) 728-1010

FACSIMILE (202) 728-4044

MEMORANDUM

JUN 7 12:28 PM '95
FEDERAL BUREAU OF INVESTIGATION
OFFICE OF THE ATTORNEY GENERAL

To: Craig Reffner, Esq.
From: Marianne Koepf
Date: June 2, 1995
RE: MUR 4019

Enclosed please find the original signed affidavits for the eleven Respondents in the above-referenced matter.

If you have any questions, please contact me at the above number.

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AFFIDAVIT OF DANIEL BORISLOW

I, Daniel Borislow, being duly sworn, state as follows:

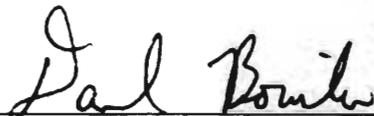
1. I am President of Tel-Save, Inc. ("Tel-Save"), an S-corporation organized under the laws of the State of Pennsylvania. I hold a majority of the shares of stock of the corporation.
2. In April of 1994, Tel-Save loaned \$1,000 each to eleven employees of Tel-Save, including myself.
3. Contrary to the allegations stated by the Commission in the Factual and Legal Analysis, I did not knowingly or willingly violate 2 U.S.C. §§ 441b and 441f, provisions of the Federal Election Campaign Act of 1971, as amended.
4. At the time of the loan, I had no information or knowledge that a corporate loan to an employee could in any way be considered an improper contribution from the corporation.
5. As stated in my previous affidavit of September 16, 1994, it is my practice at Tel-Save to loan funds to employees for personal purposes. None of these funds were used for political purposes. The following is a list of the names of the individual employees who received the loans, the amount of the loans, the reasons for requesting the loans and whether or not they were repaid.
6. During 1994, I loaned a total amount of \$307,000 to Phonco, a close corporation solely operated by Greg Luff and David Gross, former Tel-Save employees. Phonco has repaid \$197,000 of the total loan, leaving an outstanding balance of \$110,000.
7. In September 1991, I loaned \$11,000 to Greg Luff for the purpose of purchasing a home. Greg Luff repaid the full amount of the loan in February 1994.
8. In March 1992, I loaned Emanuel DeMaio \$10,000 for a personal matter. Emanuel DeMaio repaid the full amount of the loan in April 1992.

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9. In February 1994, I loaned Gary McCulla \$100,000 for the purpose of purchasing a home. In April 1994, I loaned Gary McCulla an additional \$160,000 in order to make improvements on his home. As of May 1995, no repayments on these loans have been made.
10. In June 1994, I loaned \$5,000 to James Logan for the purpose of making home improvements. As of this date, James Logan has repaid \$2,500 of the total loan.
11. In July 1994, I loaned \$2,000 to Deron Ruby for the purpose of purchasing a home. As of this date, Deron Ruby has repaid \$1,750 of the total loan.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 1st day of June, 1995.



Daniel Borislow

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COMMISSION
OFFICE OF GENERAL
COUNSEL

JUN 2 12 19 PM '95

AFFIDAVIT OF GARY McCULLA

I, Gary McCulla, being duly sworn, state as follows:

1. I was an employee of Tel-Save, Inc. during the 1994 election cycle.
2. I made a \$1,000 contribution to the Greenwood for Congress in the form of a money order. I voluntarily made the contribution and believed it to be a contribution from my personal funds. I had every intention of reimbursing the corporation for its loan from my personal funds and did so with a check dated July 15, 1994 payable to Tel-Save, Inc.
3. I had no knowledge or information that a corporate loan to an employee could be in anyway be considered an improper contribution for a federal candidate.
4. I have repaid the contribution amount in full to Tel-Save, Inc.
5. In February 1994, Dan Borislow loaned \$100,000 to me for the purpose of purchasing a home. In April 1994, Dan Borislow loaned me an additional \$160,000 in order to make improvements on my home. As of May 1995, I have been unable to repay these loans. None of these funds were used for political purposes.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 1 day of June, 1995.


Gary McCulla

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AFFIDAVIT OF EMANUEL DeMAIO

I, Emanuel DeMaio, being duly sworn, state as follows:

1. I was an employee of Tel-Save, Inc. during the 1994 election cycle.
2. I made a \$1,000 contribution to the Greenwood for Congress in the form of a money order. I voluntarily made the contribution and believed it to be a contribution from my personal funds. I had every intention of reimbursing the corporation for its loan from my personal funds and did so with a check dated July 1, 1994 payable to Tel-Save, Inc.
3. I had no knowledge or information that a corporate loan to an employee could be in anyway be considered an improper contribution for a federal candidate.
4. I have repaid the contribution amount in full to Tel-Save, Inc.
5. In March 1992, Dan Borislow loaned \$10,000 to me for a personal matter. I repaid the full amount of this loan in April 1992. None of these funds were used for political purposes.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 1 day of June, 1995.


Emanuel DeMaio

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AFFIDAVIT OF JASON JANUZELLI

I, Jason Januzelli, being duly sworn, state as follows:

1. I was an employee of Tel-Save, Inc. during the 1994 election cycle.
2. I made a \$1,000 contribution to the Greenwood for Congress in the form of a money order. I voluntarily made the contribution and believed it to be a contribution from my personal funds. I had every intention of reimbursing the corporation for its loan from my personal funds and did so with a check dated July 15, 1994 payable to Tel-Save, Inc.
3. I had no knowledge or information that a corporate loan to an employee could be in anyway be considered an improper contribution for a federal candidate.
4. I have repaid the contribution amount in full to Tel-Save, Inc.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 15th day of June, 1995.


Jason Januzelli

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JUN 2 12 19 PM '95

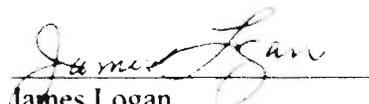
AFFIDAVIT OF JAMES LOGAN

I, James Logan, being duly sworn, state as follows:

1. I was an employee of Tel-Save, Inc. during the 1994 election cycle.
2. I made a \$1,000 contribution to the Greenwood for Congress in the form of a money order. I voluntarily made the contribution and believed it to be a contribution from my personal funds. I had every intention of reimbursing the corporation for its loan from my personal funds and did so with a check dated July 15, 1994 payable to Tel-Save, Inc.
3. I had no knowledge or information that a corporate loan to an employee could be in anyway be considered an improper contribution for a federal candidate.
4. I have repaid the contribution amount in full to Tel-Save, Inc.
5. In June 1994, Dan Borislow loaned \$5,000 to me for the purpose of making home improvements. As of May 1995, I have repaid \$2,500 of the total loan. None of these funds were used for political purposes.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 1ST day of June, 1995.


James Logan

25043684598

JUN 2 12 19 PM '95

AFFIDAVIT OF DERON RUBY

I, Deron Ruby, being duly sworn, state as follows:

1. I was an employee of Tel-Save, Inc. during the 1994 election cycle.
2. I made a \$1,000 contribution to the Greenwood for Congress in the form of a money order. I voluntarily made the contribution and believed it to be a contribution from my personal funds. I had every intention of reimbursing the corporation for its loan from my personal funds and did so with a check dated July 14, 1994 payable to Tel-Save, Inc.
3. I had no knowledge or information that a corporate loan to an employee could be in anyway be considered an improper contribution for a federal candidate.
4. I have repaid the contribution amount in full to Tel-Save, Inc.
5. In July 1994, Dan Borislow loaned \$2,000 to me for the purpose of purchasing a home. As of May 1995, I have repaid \$1,750 of the total loan. None of these funds were used for political purposes.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 1 day of June, 1995.


Deron Ruby

95043684599

JUN 2 12 19 PM '95

AFFIDAVIT OF PETER MORRISON

I, Peter Morrison, being duly sworn, state as follows:

1. I was an employee of Tel-Save, Inc. during the 1994 election cycle.
2. I made a \$1,000 contribution to the Greenwood for Congress in the form of a money order. I voluntarily made the contribution and believed it to be a contribution from my personal funds. I had every intention of reimbursing the corporation for its loan from my personal funds and did so with a check dated July 13, 1994 payable to Tel-Save, Inc.
3. I had no knowledge or information that a corporate loan to an employee could be in anyway be considered an improper contribution for a federal candidate.
4. I have repaid the contribution amount in full to Tel-Save, Inc.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 1st day of June, 1995.



Peter Morrison

95043684600

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JUN 2 12 19 PM '95

AFFIDAVIT OF KEVIN KELLY

I, Kevin Kelly, being duly sworn, state as follows:

1. I was an employee of Tel-Save, Inc. during the 1994 election cycle.
2. I made a \$1,000 contribution to the Greenwood for Congress in the form of a money order. I voluntarily made the contribution and believed it to be a contribution from my personal funds. I had every intention of reimbursing the corporation for its loan from my personal funds and did so with a check dated July 15, 1994 payable to Tel-Save, Inc.
3. I had no knowledge or information that a corporate loan to an employee could be in anyway be considered an improper contribution for a federal candidate.
4. I have repaid the contribution amount in full to Tel-Save, Inc.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 1st day of June, 1995.


Kevin Kelly

95043684601

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL

JUN 2 12 19 PM '95

AFFIDAVIT OF RAYMOND BATTISTINI

I, Raymond Battistini, being duly sworn, state as follows:

1. I was an employee of Tel-Save, Inc. during the 1994 election cycle.
2. I made a \$1,000 contribution to the Greenwood for Congress in the form of a money order. I voluntarily made the contribution and believed it to be a contribution from my personal funds. I had every intention of reimbursing the corporation for its loan from my personal funds and did so with a check dated May 24, 1995 payable to Tel-Save, Inc.
3. I had no knowledge or information that a corporate loan to an employee could be in anyway be considered an improper contribution for a federal candidate.
4. I have repaid the contribution amount in full to Tel-Save, Inc.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 1st day of June, 1995.



Raymond Battistini

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JUN 2 12 19 PM '95

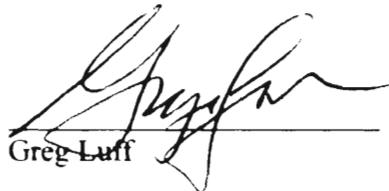
AFFIDAVIT OF GREG LUFF

I, Greg Luff, being duly sworn, state as follows:

1. I was an employee of Tel-Save, Inc. during the 1994 election cycle.
2. I made a \$1,000 contribution to the Greenwood for Congress in the form of a money order. I voluntarily made the contribution and believed it to be a contribution from my personal funds. I had every intention of reimbursing the corporation for its loan from my personal funds and did so with a check dated July 13, 1994 payable to Tel-Save, Inc.
3. I had no knowledge or information that a corporate loan to an employee could be in anyway be considered an improper contribution for a federal candidate.
4. I have repaid the contribution amount in full to Tel-Save, Inc.
5. In 1994, I asked Dan Borislow if I could loan funds from Tel-Save, Inc. to start a new company, Phonco. In response to this request, Tel-Save, Inc. made several loans totalling \$307,000 directly to my company, Phonco. Phonco has repaid \$197,000 of the total loan amount. None of these funds were used for political purposes.
6. In September 1991, Dan Borislow loaned \$11,000 to me for the purpose of purchasing a home. I repaid the total amount of the loan in February 1994. None of these funds were used for political purposes.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 1 day of June, 1995.


Greg Luff

95043684603

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JUN 2 12 19 PM '95

AFFIDAVIT OF DAVID GROSS

I, David Gross, being duly sworn, state as follows:

1. I was an employee of Tel-Save, Inc. during the 1994 election cycle.
2. I made a \$1,000 contribution to the Greenwood for Congress in the form of a money order. I voluntarily made the contribution and believed it to be a contribution from my personal funds. I had every intention of reimbursing the corporation for its loan from my personal funds and did so with a check dated July 14, 1994 payable to Tel-Save, Inc.
3. I had no knowledge or information that a corporate loan to an employee could be in anyway be considered an improper contribution for a federal candidate.
4. I have repaid the contribution amount in full to Tel-Save, Inc.
5. In July 1994, I asked Dan Borislow if I could loan funds from Tel-Save, Inc. for the purpose of starting a new company, Phonco. In response to this request, Tel-Save, Inc. made several loans totalling \$307,000 directly to my company, Phonco. Phonco has repaid \$197,000 of the total loan amount. None of these funds were used for political purposes.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 1 day of June, 1995.



David Gross

950443684604

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION

Aug 8 3 57 PM '95

In the Matter of)
) MUR 4019
Tel-Save, Inc., et al.)

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Lyn Utrecht, counsel for the Respondents in this matter.

The attached agreement contains no changes from the agreement approved by the Commission on August 1, 1995. A check for the civil penalty was previously submitted.

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Tel-Save, Inc., et al.
2. Close the file.
3. Approve the appropriate letter.

Lawrence M. Noble
General Counsel

August 8, 1995
DATE

By: Lois G. Lerner
Lois G. Lerner
Associate General Counsel

Attachment
Conciliation Agreement

Staff Assigned: Craig D. Reffner

95043684605

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Tel-Save, Inc., et al.) MUR 4019

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 14, 1995, the Commission decided by a vote of 6-0 to take the following actions in MUR 4019:

1. Accept the conciliation agreement with Tel-Save, Inc., et al., as recommended in the General Counsel's Report dated August 8, 1995.
2. Close the file.
3. Approve the appropriate letter, as recommended in the General Counsel's Report dated August 8, 1995.

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

Attest:

8-15-95
Date

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

Received in the Secretariat:	Tues., Aug. 08, 1995	3:57 p.m.
Circulated to the Commission:	Wed., Aug. 09, 1995	11:00 a.m.
Deadline for vote:	Mon., Aug. 14, 1995	4:00 p.m.

lrd

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FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

August 21, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John P. Murray
10 Canal Run West
Washington Crossing, PA 18977

RE: MUR 4019

Dear Mr. Murray:

This is in reference to the complaint you filed with the Federal Election Commission on July 29, 1994, concerning contributions made to Congressman James Greenwood's 1994 campaign in Pennsylvania's Eighth Congressional District.

The Commission found that there was reason to believe that Tel-Save, Inc., and Daniel Borislow knowingly and willfully violated 2 U.S.C. § 441b and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). In addition, the Commission found reason to believe that Emanuel DeMaio, David Gross, Jason Januzelli, Kevin Kelly, James Logan, Greg Luff, Gary McCulla, Peter Morrison, Deron Ruby, and Raymond Battistini each violated 2 U.S.C. § 441f, a provision of the Act. On August 14, 1995, a conciliation agreement signed by the respondents was accepted by the Commission. Accordingly, the Commission closed the file in this matter on August 14, 1995. A copy of this agreement is enclosed for your information.

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

Sincerely,


Craig D. Reffner
Attorney

Enclosure
Conciliation Agreement

95043684607



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20461

August 21, 1995

Robert O. Baldi, Esq., Treasurer
Greenwood for Congress
115 North Broad Street
Doylestown, PA 18901

RE: MUR 4019
Greenwood for Congress and
Robert O. Baldi, as treasurer

Dear Mr. Baldi:

On August 4, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

This is to advise you that this matter is now closed. 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 me at (202) 219-3400.

Sincerely,

Craig D. Reffner
Attorney

95043684608



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

August 21, 1995

The Honorable James Greenwood
785 River Road
Erwinna, PA 18920

RE: MUR 4019
The Honorable James Greenwood

Dear Mr. Greenwood:

On August 4, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

This is to advise you that this matter is now closed. 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 me at (202) 219-3400.

Sincerely,

Craig D. Reffner
Attorney

95043684609



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 21, 1995

Lyn Utrecht, Esq.
Oldaker, Ryan & Leonard
818 Connecticut Avenue, N.W.
Suite 1100
Washington, DC 20006

RE: MUR 4019
Tel-Save, Inc., and
Daniel Borislow, President
Raymond Battistini
Emanuel DeMaio
David Gross
Jason Januzelli
Kevin Kelly
James Logan
Greg Luff
Gary McCulla
Peter Morrison
Deron Ruby

Dear Ms. Utrecht:

On August 14, 1995, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your clients' behalf in settlement of violations of 2 U.S.C. § 441b and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed 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.

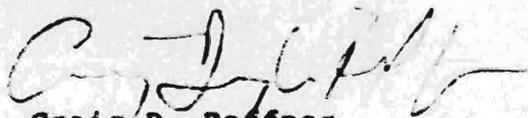
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Lyn Utrecht, Esq.
Page 2

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

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 219-3400.

Sincerely,



Craig D. Reffner
Attorney

Enclosure
Conciliation Agreement

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RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

APR 8 10 57 AM '85

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
Tel-Save, Inc., and)	MUR 4019
Daniel Borislow)	
Emanuel DeMaio)	
David Gross)	
Jason Januzelli)	
Kevin Kelly)	
James Logan)	
Greg Luff)	
Gary McCulla)	
Peter Morrison)	
Deron Ruby)	
Raymond Battistini)	

APR 8 12 09 PM '85
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COMMISSION
MAIL ROOM

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by John P. Murray. The Federal Election Commission ("Commission") found reason to believe that Respondents Tel-Save, Inc., and Daniel Borislow knowingly and willfully violated 2 U.S.C. §§ 441b and 441f, provisions of the Federal Election Campaign Act of 1971, as amended (the "Act") and that Respondents Emanuel DeMaio, David Gross, Jason Januzelli, Kevin Kelly, James Logan, Greg Luff, Gary McCulla, Peter Morrison, Deron Ruby and Raymond Battistini (collectively referred to as "Employees") each violated 2 U.S.C. § 441f.

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

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I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C.

§ 437g(a)(4)(A)(i).

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

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

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

1. Tel-Save, Inc., is a corporation subject to the provisions of 2 U.S.C. § 441b.

2. Daniel Borislow is the President of Tel-Save, Inc.

3. Daniel Borislow and the Employees are each a person within the meaning of 2 U.S.C. § 441f.

4 In 1994 the Employees were all employed by Tel-Save, Inc.

5. The Honorable James Greenwood, United States Congress, was a Federal candidate, within the meaning of 2 U.S.C. § 431(2), in Pennsylvania's 1994 Eighth Congressional District election.

6. Greenwood for Congress is a political committee within the meaning of 2 U.S.C. § 431(4) and is the authorized campaign committee for Congressman James Greenwood within the meaning of 2 U.S.C. § 431(6).

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7. Pursuant to Section 441f of the Act, no person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution. The Commission's regulations specifically describe a contribution in the name of another as "[g]iving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made." 11 C.F.R. § 110.4(b)(2)(i).

8. The Act also provides that it is unlawful for any corporation to make a contribution or expenditure in connection with a Federal election and further prohibits any corporate officer or director from consenting to any such contribution or expenditure. 2 U.S.C. § 441b.

9. In April 1994, Daniel Borislow and the Employees each received a \$1,000 loan from Tel-Save, Inc., for the purpose of making a contribution to Greenwood for Congress. All of their contributions, totaling \$11,000, were each made on the same date, in the form of a money order and received by Greenwood for Congress on April 29, 1994.

10. Daniel Borislow, as the President of Tel-Save, Inc., approved the loans from Tel-Save, Inc., to himself and to the Employees in order to make the contributions to Greenwood for Congress.

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11. By receiving funds from Tel-Save, Inc., for the purpose of making a \$1,000 contribution to Greenwood for Congress, Daniel Borislow and the Employees each permitted their name to be used to make a contribution in connection with a Federal election in violation of 2 U.S.C. § 441f.

12. By using the names of Daniel Borislow and the Employees to make \$11,000 in contributions to Greenwood for Congress, Tel-Save, Inc., violated 2 U.S.C. § 441f.

13. By providing loans from corporate funds to himself and the Employees for the purpose of making \$11,000 in contributions to Greenwood for Congress, Mr. Borislow, as an officer of Tel-Save, Inc., consented to the making of a corporate contribution in violation of 2 U.S.C. § 441b.

14. By providing \$11,000 in corporate funds to Daniel Borislow and the Employees for the purpose of making eleven \$1,000 contributions to Greenwood for Congress, Tel-Save, Inc., violated 2 U.S.C. § 441b.

V. A. Daniel Borislow violated 2 U.S.C. § 441f by permitting Tel-Save, Inc., to use his name to make a contribution to Greenwood for Congress and 2 U.S.C. § 441b by consenting to the making of a corporate contribution to Greenwood for Congress.

B. The Employees each violated 2 U.S.C. § 441f by permitting Tel-Save, Inc., to use their names to make contributions to Greenwood for Congress.

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C. Tel-Save, Inc., violated 2 U.S.C. § 441f by using the names of Daniel Borislow and the Employees to make contributions to Greenwood for Congress and 2 U.S.C. § 441b by making a corporate contribution to Greenwood for Congress.

VI. 1. Reason to believe is a preliminary finding and a statutory prerequisite to an investigation as to whether there is probable cause to believe a violation occurred. In an effort to resolve this matter expeditiously, the Commission and Respondents have forgone an investigation as to whether the violations here were committed knowingly and wilfully.

2. Respondents contend that the violations at issue here were not committed knowingly and willfully and note that they have provided information showing that Tel-Save, Inc., previously provided loans to employees for personal purposes and Respondents contend that the loans at issue here were made consistent with the prior loans.

VII. Respondents will pay a civil penalty to the Federal Election Commission in the amount of thirty thousand dollars (\$30,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY:


Lois G. Lerner
Associate General Counsel

8/21/95
Date

FOR THE RESPONDENTS:


Lyn Utrecht
Oldaker, Ryan & Leonard

August 7, 1995
Date

Attorney for Tel-Save, Inc.,
Daniel Borislow, Emanuel DeMaio,
David Gross, Jason Januzelli,
Kevin Kelly, James Logan,
Greg Luff, Gary McCulla,
Peter Morrison, Deron Ruby and
Raymond Battistini

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FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

THIS IS THE END OF MUR # 4019

DATE FILMED 9-8-95 CAMERA NO. 1

CAMERAMAN JMN

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