



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4286

DATE FILMED 5-27-97 CAMERA NO. 4

CAMERAMAN JMN

97043775405

Office of the General Counsel  
Federal Election Commission  
Washington D.C. 20463

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT  
December 4, 1995

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
DEC 6 12 04 PM '95

DEC 1 11 42 AM '95  
SENSITIVE 286

Dear General Counsel:

My name is Paul T. Cleveland, 33 Pine Glen Road, Simsbury, CT. 06070. My telephone number is [REDACTED]. I wish to lodge a complaint against my former employer, General Cigar Co., Inc., for what I believe are violations of Federal election law. I believe that the facts as listed in detail below show a violation by General Cigar Co., Inc., of Title 2 of the United States Code, Section 441a, et seq.

On or about July 11, 1995, while employed as Senior Vice-President of General Cigar Co., Inc., I was handed a slip of paper by Austin T. McNamara, President of General Cigar Co., Inc., which instructed me to write a personal check in the amount of \$1,000.00 to the "Bob Dole For President" campaign fund. This requirement was made at a staff meeting of General Cigar Co., Inc. which was being held at the Avon Old Farms Hotel in Avon, CT. Mr. McNamara had previously indicated that he was active in the Republican party.

Later that same day, I complained to Robert Loftus, Vice-President and CFO of General Cigar Co., Inc., about the campaign contribution requirement. Mr. Loftus advised me that this was not the first time that Mr. McNamara had directed employees to contribute to Federal election campaigns, and that he had previously required employees to contribute to the Newt Gingrich Congressional Re-Election campaign of 1994. Mr. Loftus then advised me that it would be in my best interests to comply with Mr. McNamara's wishes. Please note that I have no personal knowledge of such alleged contributions to the Newt Gingrich campaign, in that my knowledge of that activity is based solely on information provided to me by Mr. Loftus on or about July 11, 1995.

During the period from July 12, 1995 through July 20, 1995, I was pressured on multiple occasions to provide my personal check to the "Bob Dole For President" campaign by both Mr. McNamara, and Barbara Sambrook, Mr. McNamara's Executive Assistant. On July 20, 1995, I finally wrote a check in the amount of \$1,000.00 made payable to "Bob Dole For President". At Mr. McNamara's direction, this check was given to Ms. Sambrook. (A copy of my cancelled check, front and back, is attached.)

I do not have personal knowledge of how my personal check was transmitted to the "Bob Dole For President" campaign. However, based on information I subsequently received, it is my belief that my personal check was bundled with the personal checks of Mr. McNamara, and two other employees of General Cigar Co., Inc., and that all 4 checks were sent together to the Dole campaign office by Mr. McNamara. The 2 other employees who wrote a check to the Dole campaign were John Geoghegan and Brent Currier, both of whom are Vice-Presidents of General Cigar Co., Inc.

On August 3, 1995, Robert Loftus sent an E-Mail at my place of employment to myself, Mr. McNamara, Mr. Geoghegan, and Mr. Currier, advising us that we would be reimbursed by General Cigar Co., Inc. on August 3, 1995 for our personal contributions to the Dole campaign. (A copy of this E-Mail is attached.)

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On August 7, 1995, I had a conversation with Mr. Loftus about the subject of the solicitation, requirement, and corporate reimbursement of Federal election campaign contributions. Mr. Loftus indicated that he was concerned about the legality of the corporation's actions. I told him that I was not certain of the law, but common sense would seem to say that the solicitation, requirement, and reimbursement of campaign funds for Federal elections by our employer violated the intent of the law prohibiting corporate campaign contributions, and therefore seemed likely to be illegal. Mr. Loftus stated to me that he would bury (hide) the reimbursements of the campaign contributions in an expense account of the corporation that could not be traced.

On August 8, 1995, I received a check from General Cigar Co., Inc. in the amount of \$1,000.00 in accordance with the E-Mail of August 3, 1995, as reimbursement for the personal contribution which I was forced to make to the Bob Dole campaign. Since I believed that this reimbursement was illegal, I have never cashed this check, which remains in my possession. (A copy of this check is attached.)

Since August 8, 1995 the following events have occurred in connection with this matter:

> On August 31, 1995, I was suspended by General Cigar Co., Inc. from my position as Senior Vice-President of Operations. As of this date, it appears that General Cigar Co., Inc. official position as to my employment status is uncertain.

> On October 25, 1995, I filed a civil lawsuit against General Cigar Co., Inc., and Austin T. McNamara. The First Count of this lawsuit alleges that I was wrongfully discharged in violation of public policy based on my stated intention to disclose alleged illegal and improper activities at General Cigar Co., Inc., among them illegal political campaign contributions. (A copy of this civil lawsuit is attached.) Copies of this lawsuit have also been supplied to the SEC Regional Office in Boston, Ma., to the U.S. attorney in the state of Connecticut, and to an Assistant U.S. attorney in Montgomery, Al.

> On November 15, 1995, I was interviewed by telephone by the Enforcement Division of the SEC regarding the allegations contained in my civil lawsuit against General Cigar Co., Inc. and Austin T. McNamara. Among the items discussed was the Dole campaign contributions. The other participants in this interview were my attorney, David M. Somers, and 2 members of the SEC Enforcement Division, Don Griffith and Debra Heilizer.

> On November 25, 1995 I received an unsolicited check directly from the Dole campaign mailed to my home address in the amount of \$1,000.00. The check stub listed the payment as originating on November 17, 1995, and is referenced as a "contribution refund". However, I have had no contact whatsoever with the Dole campaign office about my contribution, and the Dole campaign office provided no other explanation for the check. (A copy of the check, check stub, and envelope are attached.) This original check also remains in my possession.

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Please advise as to whether any further information or documentation is required from me in order for the Federal Election Commission to pursue this formal complaint. Please advise me what I should do with the contribution refund checks received from both General Cigar Co., Inc. and the Dole campaign.

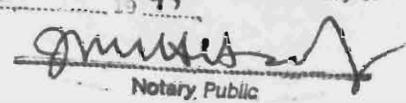
Sincerely,



Paul T. Cleveland

cc: David M. Somers, Esq.

Subscribed and Sworn to before me, a Notary Public, in and for County of Hartford and State of Connecticut, this 4 day of Dec 19 95



Notary Public

97043775408



PAUL T. CLEVELAND  
ANGELA J. CLEVELAND

61-80/111 032 MA

0144

7/10 1995

PAY TO THE  
ORDER OF

Bob Dyle for Cleveland

\$ 1000.00

One Thousand and 00/100 cents

DOLLARS



**BANK OF BOSTON**

9 02 4200 4239 08-03-95

CONNECTICUT

FOR

Paul Cleveland

97043775409



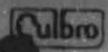
Author: Robert Loftus at HARTFORD  
Date: 8/3/95 1:17 PM  
Priority: Normal  
TO: Paul Cleveland  
TO: Brent Currier  
TO: John Geoghegan  
TO: Austin McNamara  
Subject: DOLE

----- Message Contents -----

YOU WILL RECEIVE YOUR CHECK AUG. 8. IT WILL BE TREATED AS AN ADVANCE  
UNTIL YOU GIVE ME BACKUP.

97043775411

VENDOR NO.  
01-014652

 **General Cigar Co., Inc.**  
a company of  
Culbro Corporation 

CHECK DATE BANK CHECK  
08/08/95 1M-057874

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
08 03 95	8/95-ADV	08004-24028	1,000.00	.00	1,000.00
			1,000.00	.00	1,000.00
			TOTAL GROSS AMOUNT	TOTAL DISCOUNT	TOTAL NET

PLEASE DETACH BEFORE DEPOSITING



 **General Cigar Co., Inc.**  
320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  
Culbro Corporation 

67 26  
311 0.07 09

 057874

08/08/95 1M-0578  
CHECK DATE BANK CHECK

\*\*\*\*\*1,000.00\*  
DOLLARS CENTS

PAUL CLEVELAND

CHECK AMOUNT  
\$1,000.00

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

**CHEMICAL BANK DELAWARE**  
1201 Market Street  
Wilmington Delaware 19801

⑈057874⑈ ⑆031100267⑆ 6301402677 509⑈

97043775412

DOLE FOR PRESIDENT  
CONTRIBUTION REFUNDS ACCOUNT

01247

Paul Cleveland  
33 Pine Glenn Road  
Simsbury, CT  
06070

INVOICE NO.	DATE	AMOUNT	DISCOUNT	NET AMT.
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CONTREF111795	11/17	1000.00	0.00	1000.00
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TOTAL =				\$1,000.00
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DATE

11/17/95

CHECK NUMBER

00001247

DOLE FOR PRESIDENT  
CONTRIBUTION REFUNDS ACCOUNT  
P.O. BOX 77658  
WASHINGTON, DC 20013

SIGNET BANK NA  
WASHINGTON, DC 20008

00001247

01247

18-86/540  
3842

91097413  
PAY  
TO THE  
ORDER

\*\*\*\* ONE THOUSAND & 00/100 DOLLARS

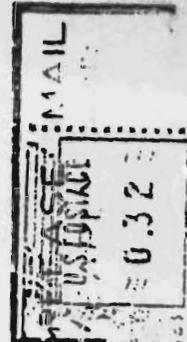
DATE	AMOUNT
11/17/95	*****\$1,000.00

Paul Cleveland  
33 Pine Glenn Road  
Simsbury, CT 06070

*John-Lane H. Case*  
*D. Key*

⑆00001247⑆ ⑆054000807⑆ ⑆667⑆017639⑆

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**SUMMONS**  
CIVIL (except family actions)

JD-CV-1 Rev. 3-91  
GEN. STAT. 51-346, 51-347, 51-349, 51-350, 52-45a,  
52-48, 52-259  
PR. BK. 49, 53, 66

**SUPERIOR COURT**

**INSTRUCTIONS**

1. Prepare on typewriter; sign original summons (top sheet) and conform copies of the summons (sheets 3 and 4).
2. If there is more than one defendant, prepare or photocopy conformed summons for each additional defendant.
3. Attach the original summons, with computer sheet attached (page 2), to the original complaint, and attach a copy of the summons to each copy of the complaint. Also, if there are more than 2 plaintiffs or 4 defendants prepare form JD-CV-2 and attach it to the original and all copies of the complaint.
4. After service has been made by officer, file original papers and officer's return with the clerk of the court.
5. The party recognized to pay costs must appear personally before the authority taking the recognizance.
6. Do not use this form for actions in which an attachment, garnishment or replevy is being sought. See Practice Book Section 49 for other exceptions.

**"X" ONE OF THE FOLLOWING:**  
Amount, legal interest or property in demand, exclusive of interest and costs is

a.  less than \$2,500  
b.  \$2,500 through \$14,999.99  
c.  \$15,000 or more  
d.  Claiming other relief in addition to or in lieu of money damages.

TO: Any proper officer, BY AUTHORITY OF THE STATE OF CONNECTICUT, you are hereby commanded to make due and legal service of this Summons and attached Complaint.

<input checked="" type="checkbox"/> JUDICIAL DISTRICT <input type="checkbox"/> HOUSING SESSION <input type="checkbox"/> G.A. _____	AT (Town in which writ is returnable) (Gen. Stat. 51-346, 51-349) <b>Hartford</b>	RETURN DATE (Mo., day, yr.) <b>November 21, 1995</b>
ADDRESS OF CLERK OF COURT WHERE WRIT AND OTHER PAPERS SHALL BE FILED (Gen. Stat. 51-347, 51-350) <b>95 Washington Street, Hartford, CT 06106</b>		CASE TYPE (From Judicial Dept. code list) Major <b>C</b> Minor <b>00</b>

PARTIES	NOTE: Individual's Names: Last, First, Middle Initial	NAME AND ADDRESS OF EACH PARTY	<input type="checkbox"/> Form JD-CV-2 attached
FIRST NAMED PLAINTIFF ▶		<b>Cleveland, Paul T., 33 Pine Glen Road, Simsbury, CT 06070</b>	
Additional Plaintiff			
FIRST NAMED DEFENDANT ▶		<b>General Cigar Co., Inc., 320 West Newberry Road, Bloomfield, CT 06002</b>	
Additional Defendant		<b>Austin T. McNamara, 12 Aspenwood, Simsbury, CT 06089</b>	
Additional Defendant			
Additional Defendant			

**NOTICE to each DEFENDANT**

1. You are being sued.
2. This paper is a Summons in a lawsuit.
3. The Complaint attached to these papers states the claims that each Plaintiff is making against you in this lawsuit.
4. To respond to this summons, or to be informed of further proceedings, you or your attorney must file a form called an "Appearance" with the Clerk of the above named Court at the above Court address on or before the second day after the above Return Date.
5. If you or your attorney do not file a written "Appearance" form on time, a judgment may be entered against you by default.
6. The "Appearance" form may be obtained at the above Court address.
7. If you believe that you have insurance that may cover the claim that is being made against you in this lawsuit, you should immediately take the Summons and Complaint to your insurance representative.
8. If you have questions about the Summons and Complaint, you should consult an attorney promptly. The Clerk of Court is not permitted to give advice on legal questions.

DATE <b>October 25, 1995</b>	SIGNED (sign and "X" proper box) <b>David M. Somers</b> <input checked="" type="checkbox"/>	Commissioner of Superior Court Assistant Clerk	TYPE IN NAME OF PERSON SIGNING AT LEFT <b>David M. Somers</b>
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FOR THE PLAINTIFF(S) ENTER THE APPEARANCE OF:		TELEPHONE NO. <b>676-1669</b>	JURIS NO. (if any, or law firm) <b>106184</b>
NAME AND ADDRESS OF ATTORNEY, LAW FIRM OR PLAINTIFF IF PRO SE <b>David M. Somers &amp; Associates, P.C. P.O. Box 515, Avon, CT 06001</b>			

NAME AND ADDRESS OF PERSON RECOGNIZED TO PROSECUTE IN THE AMOUNT OF \$250 <b>Alison R. Drevline, 101 Fairview Ave., Torrington, CT 06790</b>		SIGNATURE OF PLAINTIFF IF PRO SE	
NO. PLFS <b>1</b>	NO. DEFS <b>2</b>	NO. CRTS <b>9</b>	SIGNED (Official taking recognizance: "X" proper box) <b>David M. Somers</b> <input checked="" type="checkbox"/>
			Commissioner of Superior Court Assistant Clerk

**IF THIS SUMMONS IS SIGNED by a CLERK:**

a. The signing has been done so that the Plaintiff(s) will not be denied access to the courts.

b. It is the responsibility of the Plaintiff(s) to see that service is made in the manner provided by law.

c. The Clerk is not permitted to give any legal advice in connection with any lawsuit.

d. The Clerk signing this Summons at the request of the Plaintiff(s) is not responsible in any way for any errors or omissions in the Summons, any allegations contained in the Complaint, or the service thereof.

I hereby certify I have read and understand the above:	SIGNED (Pro se plaintiff)	DATE SIGNED	DOCKET NO.
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RETURN DATE: NOVEMBER 21, 1995 : SUPERIOR COURT  
PAUL T. CLEVELAND : JUDICIAL DISTRICT OF  
HARTFORD/NEW BRITAIN  
VS. : AT HARTFORD  
GENERAL CIGAR CO., INC. : OCTOBER 25, 1995  
AND  
AUSTIN T. McNAMARA

COMPLAINT

FIRST COUNT (Wrongful Discharge In Violation Of Public Policy)

1. The Plaintiff, Paul T. Cleveland, hereinafter referred to as Plaintiff Cleveland, is an individual residing at 33 Pine Glen Road, Simsbury, Connecticut.
2. The Defendant, General Cigar Co., Inc., hereinafter referred to as Defendant General Cigar, is a corporation organized under the laws of the State of Delaware, with its principal place of business located at 320 West Newberry Road, Bloomfield, Connecticut, engaged in the business of making, distributing and selling cigars of various types. It also has facilities at Dothan, Alabama, Kingston, Jamaica and Santiago, Dominican Republic. It is a company of the Culbro Corporation.
3. The Defendant, Austin T. McNamara, is an individual residing at 12 Aspenwood, Simsbury, Connecticut who has been the President of Defendant General Cigar at all times material herein since January 1, 1994.
4. On or about September 3, 1984, Plaintiff Cleveland was employed by written contract in New York by Defendant General Cigar as Director of Special Projects, and thereafter received subsequent merit promotions.
5. On an unknown but certain date in May, 1992, Plaintiff Cleveland was promoted by Defendant General Cigar to Vice-President of Operations and remained officed in New York.
6. On or about September 28, 1992, Defendant General Cigar relocated Plaintiff Cleveland's office to Bloomfield, Connecticut.

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DAVID M. SOMERS & ASSOCIATES, P.C.

ATTORNEY AT LAW

56 EAST MAIN STREET • P.O. Box 515 • AVON, CONNECTICUT 06001 • TEL. (203) 676-1669

7. On an unknown but certain date in February, 1993, Plaintiff Cleveland executed a written three (3) year bonus compensation agreement with Defendant General Cigar for the period of time from January 1, 1993 through December 31, 1995.

8. On or about May 11, 1993, Plaintiff Cleveland was promoted by Defendant General Cigar to Senior Vice-President of Operations. Plaintiff Cleveland, as Senior Vice-President of Operations, was responsible for all domestic and international manufacturing operations, distribution, management information services, telecommunications, coordination of international sales, purchasing, research and development and engineering for Defendant General Cigar. Plaintiff Cleveland is under the direct supervision of Defendant McNamara.

9. Plaintiff Cleveland, as Senior Vice-President of Operations, was scheduled to be paid an \$153,000. annual base salary for 1995, plus was entitled to the various bonuses referenced herein and fringe benefits.

10. On an unknown but certain date in February, 1995, Plaintiff Cleveland executed another written three (3) year bonus compensation agreement with Defendant General Cigar for the period of time from January 1, 1995 through December 31, 1997.

11. On February 3, 1995, Plaintiff Cleveland received a bonus compensation payment from Defendant General Cigar for \$60,736. as part of the 1994 annual bonus plan based on its 1994 fiscal year, December 1, 1993 through November 30, 1994.

12. Plaintiff Cleveland, pursuant to the 1995 annual bonus plan, was scheduled to earn and be paid the additional estimated sum of \$70,000. by Defendant General Cigar for the 1995 fiscal year, December 1, 1994 through November 30, 1995, on an unknown but certain date in February, 1996.

13. Plaintiff Cleveland, pursuant to the 1993-1995 bonus compensation agreement described above in Paragraph 7, was also scheduled to earn and be paid the estimated sum of \$110,000. on an unknown but certain date in February, 1996 by Defendant Gneral Cigar.

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ATTORNEY AT LAW

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14. On or about July 11, 1995, at a staff meeting of Defendant General Cigar, Defendant McNamara demanded that Plaintiff Cleveland donate One Thousand Dollars (\$1,000.) of said Plaintiff's personal funds to the "Bob Dole For President" political campaign. This is in violation of Connecticut General Statutes (C.G.S.), Section 31-73(b) and Title 18 United States Code, Section 601. In response to his protests, Plaintiff Cleveland was told by Defendant General Cigar that it would be in his best interests to write the check.

15. On July 20, 1995, Plaintiff Cleveland reluctantly provided his personal check to Defendant McNamara in the amount of \$1,000. drawn to the order of "Bob Dole For President." (Exhibit A)

16. On or about August 7, 1995, Plaintiff Cleveland complained to Defendant General Cigar that requiring political contributions from its employees as a condition of continued employment was unlawful and that Defendant General Cigar's reimbursement of employees for these required political contributions was also unlawful under federal election campaign laws.

17. On or about August 8, 1995, Defendant General Cigar provided Plaintiff Cleveland with its corporate check for \$1,000., thereby reimbursing said Plaintiff for his required political contribution on July 20, 1995 to "Bob Dole For President", which reimbursement check Plaintiff Cleveland has declined to cash. (Exhibit B)

18. On an unknown but certain date in mid-May, 1995, Defendant McNamara informed Plaintiff Cleveland about insider trading of parent company Culbro Corporation's stock between Jay Green, Executive Vice-President of the Culbro Corporation and a personal friend of Jay Green, which resulted in significant financial gain. The exchange of inside information and purchase of stock described by Defendant McNamara immediately preceded Culbro Corporation's press release first announcing prospective sale of controlling interest in Defendant General Cigar to an international tobacco company, Tabacalera S.A.

19. On or about May 22, 1995, Defendant McNamara threatened Plaintiff Cleveland with unspecified reprisals if he ever mentioned the insider trading information concerning Jay Green which Defendant McNamara had revealed in mid-May, 1995 to said Plaintiff as described above in Paragraph 18.

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DAVID M. SOMERS & ASSOCIATES, P.C.

ATTORNEY AT LAW

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20. In or about January, 1995, Plaintiff Cleveland was informed by Robert Loftus, Vice-President of Finance for Defendant General Cigar, about corporate payments of \$10,000. monthly to Richard Gold, a personal friend of Defendant McNamara even though there was no contract, no services rendered by Gold, and no invoices for services provided to Defendant General Cigar. Loftus also told Plaintiff Cleveland that Frank Pringle, a Jamaican politician, was paid about \$15,000. quarterly by Defendant General Cigar on direct orders from Defendant McNamara even though Pringle had no contract, and provided no services or invoices to Defendant General Cigar.

21. During the period of time from on or about September 1, 1993, through November 30, 1993, Defendant General Cigar conspired to cover up excessive marketing expenses by secreting them until subsequent fiscal year 1994, thereby intentionally defrauding Price Waterhouse, the certified public accountants which audited Defendant General Cigar, in order to create the appearance of better job performance by Defendant McNamara who was then seeking corporate advancement to his current position of President.

22. From 1990 to date, Defendant General Cigar has sought competitive advantage by secretly giving certain of its favored wholesale customers kickbacks of money and merchandise in order to improve the market share of Defendant General Cigar and such favored customers. Such conduct violates the Robinson-Patman Act, Title 15 United States Code, Section 13, et seq.

23. Commencing in or about early 1993, and continuing to date, Defendant General Cigar has actively sought and secured a share of the drug-related (marijuana) cigar blunting market by offering marketing incentives on existing products, as well as offering new products to wholesale distributors at substantially lower profit margins for Defendant General Cigar. Approximately twenty percent (20%) of Defendant General Cigar's current sales of domestically manufactured products are drug-related, being marketed under the White Owl and Garcia y Vega brand names. (Exhibit C)

24. On or about July 11, 1995, Plaintiff Cleveland complained to Defendant General Cigar regarding the illegalities and improprieties described above after Plaintiff Cleveland was provoked by Defendant General Cigar's "campaign" contribution

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requirement and decision communicated to him by Defendant General Cigar through Defendant McNamara to seek further expansion of its White Owl brand name in the drug-related cigar market.

25. On or about July 11, 1995, Defendant McNamara, in response to Plaintiff Cleveland's complaints referenced above in Paragraph 24, told said Plaintiff that he did not want to hear any more complaints and that Defendant General Cigar was proceeding as planned with expansion of the White Owl brand name.

26. On or about July 11, 1995, Defendant General Cigar told Plaintiff Cleveland, in response to his complaints about the required "campaign" contribution, that it would be in his best interests to write the check to the "Bob Dole For President" campaign.

27. On August 31, 1995, Plaintiff Cleveland was verbally suspended with pay by Defendant General Cigar acting through Defendant McNamara without prior warning under the pretext that said Plaintiff might be involved in a marijuana smuggling ring and fraudulent trucking scheme in Dothan, Alabama involving corporate payment of bogus trucking invoices.

28. On September 1, 1995, Defendant General Cigar issued and distributed an internal memorandum throughout its corporation announcing extensive corporate reorganization of its Operations Group personnel of which said Plaintiff was in charge, as well as the suspension of Plaintiff Cleveland in connection with alleged fraudulent trucking invoices in that he "... processed these invoices in a way which was an unacceptable deviation from the company's business practices." Said reorganization was planned and executed before August 31, 1995 and without prior notice to Plaintiff Cleveland. (Exhibit D)

29. On September 26, 1995, Defendant General Cigar notified Plaintiff Cleveland by letter that his employment status had been officially changed to a suspension without pay effective October 1, 1995, causing Plaintiff Cleveland substantial economic and other loss.

30. Defendant General Cigar violated public policy by its wrongful constructive discharge of Plaintiff Cleveland in retaliation for his complaints to Defendant General Cigar regarding an illegally

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required and reimbursement of a campaign contribution in violation of C.G.S., Section 31-73(b) and Title 2 United States Code, Section 441a, et seq.; securities law violations involving insider trading in violation of the Insider Trading and Securities Fraud Enforcement Act of 1988, Title 15 United States Code, Section 78a et seq.; payments for services not rendered; unlawful kickbacks to preferred wholesale customers, creating predatory pricing in the market place to the disadvantage of other customers in violation of the Robinson-Patman Act, Title 15 United States Code, Section 13 et seq.; fraudulent practices concerning improper reporting of marketing expenses on federal tax returns in violation of Title 18 United States Code, Section 1001; and its active pursuit of the drug-related cigar market under the White Owl and Garcia y Vega brand names.

31. Defendant General Cigar violated public policy by its wrongful constructive discharge of Plaintiff Cleveland in order to avoid payment of his salary and bonus compensation.

32. Defendant General Cigar's conduct described above constituted a wrongful constructive discharge of Plaintiff Cleveland.

SECOND COUNT (Defamation-Libel Per Se)

1.-32. The allegations of Paragraphs 1 through 32 of the FIRST COUNT are repeated and realleged as Paragraphs 1 through 32 of the SECOND COUNT.

33. By the acts on September 1, 1995 as described above in Paragraph 28, Defendant General Cigar intentionally published statements in an internal corporate memorandum that Plaintiff Cleveland "... processed these invoices in a way which was an unacceptable deviation from the company's business practices."

34. On or about September 7, 1995, Defendant General Cigar intentionally caused a civil action to be published and served upon third parties but not returned to court alleging that Plaintiff Cleveland, at Paragraphs 9 through 14 therein, engaged in criminal activity in a scheme to defraud Defendant General Cigar and racketeering activity. (Exhibit E)

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DAVID M. SOMERS & ASSOCIATES, P.C.

ATTORNEY AT LAW

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35. The published statements described above in Paragraphs 33 and 34 were false, and were previously denied by Plaintiff Cleveland to Defendant General Cigar and Defendant McNamara.

36. The published statements described above in Paragraphs 33 and 34 seriously harmed Plaintiff Cleveland's professional reputation and employability in the cigar industry and any other industry by accusing him of improper conduct, moral turpitude and lack of integrity in the performance of his professional duties which could result in his imprisonment.

37. Defendant General Cigar was not privileged to publish to third parties the statements described above in Paragraphs 33 and 34 as to Plaintiff Cleveland, doing so with actual malice with knowledge of their falsity and/or reckless disregard as to their truth.

38. Notwithstanding its conduct described in Paragraphs 33 and 34 above, at all times material herein Defendant General Cigar seriously doubted the veracity of such published statements in that it only "suspended" Plaintiff Cleveland by its own description, and invited further explanation from him.

39. Defendant General Cigar purposely published the false and defamatory statements described above in Paragraphs 33 and 34 in order to effectuate Plaintiff Cleveland's wrongful constructive discharge in a pretextual manner in violation of public policy.

40. The conduct of Defendant General Cigar described above in Paragraph 33 can reasonably be interpreted to charge a crime, which constitutes libel per se of Plaintiff Cleveland.

41. The conduct of Defendant General Cigar described above in Paragraph 34 can reasonably be interpreted to charge crimes, which constitutes libel per se of Plaintiff Cleveland.

42. As a result of the foregoing conduct of Defendant General Cigar, Plaintiff Cleveland has suffered, and will continue to suffer, substantial economic and other loss.

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DAVID M. SOMERS & ASSOCIATES, P.C.

ATTORNEY AT LAW

56 EAST MAIN STREET • P.O. Box 815 • Avon, CONNECTICUT 06001 • TEL. (203) 678-1800

THIRD COUNT (Negligent Misrepresentation)

1.-32. The allegations of Paragraphs 1 through 32 of the FIRST COUNT are repeated and realleged as Paragraphs 1 through 32 of the THIRD COUNT.

33.-42. The allegations of Paragraphs 33 through 42 of the SECOND COUNT are repeated and realleged as Paragraphs 33 through 42 of the THIRD COUNT.

43. At all times material herein, Defendant General Cigar had no established written policy concerning payments of contract carrier invoices for freight transportation services to and from its Dothan, Alabama facility.

44. Plaintiff Cleveland, in the course of his employment, justifiably relied upon his employer's procedures for authorization of direct payments of contract carrier invoices for freight transportation services to and from Defendant General Cigar's Dothan, Alabama facility as expressly approved, authorized, ratified and condoned by Defendant General Cigar over a five (5) year period of time from about 1990 to 1995.

45. At all times material herein, Defendant General Cigar supplied untrue and incorrect information as to its corporate procedure for the guidance of Plaintiff Cleveland with respect to processing direct payments for contract carrier invoices for freight transportation services to and from Defendant General Cigar's Dothan, Alabama facility in order to induce him to follow such procedures.

46. Plaintiff Cleveland justifiably relied upon the procedures approved, authorized, ratified and condoned by Defendant General Cigar as described above.

47. Plaintiff Cleveland has relied on such corporate procedures of Defendant General Cigar to his injury.

48. Defendant General Cigar did not exercise reasonable care and competence in its business practices by its failure to formulate, implement and communicate correct information to Plaintiff Cleveland concerning authorization of direct payments for contract carrier freight transportation services as described above.

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ATTORNEY AT LAW

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49. Defendant General Cigar is liable to Plaintiff Cleveland for any and all pecuniary loss suffered by him by reason of its negligent misrepresentation described above.

FOURTH COUNT (Intentional Infliction Of Emotional Distress)

1.-32. The allegations of Paragraphs 1 through 32 of the FIRST COUNT are repeated and realleged as Paragraphs 1 through 32 of the FOURTH COUNT.

33.-42. The allegations of Paragraphs 33 through 42 of the SECOND COUNT are repeated and realleged as Paragraphs 33 through 42 of the FOURTH COUNT.

43.-49. The allegations of Paragraphs 43 through 49 of the THIRD COUNT are repeated and realleged as Paragraphs 43 through 49 of the FOURTH COUNT.

50. Defendant General Cigar, by its conduct described above, intended to inflict emotional distress on Plaintiff Cleveland or should have known that such emotional distress was the likely result of its conduct.

51. The conduct of Defendant General Cigar described above was, and is, extreme and outrageous, and was motivated by bad faith in violation of public policy.

52. The conduct of Defendant General Cigar described above was, and is, the proximate cause of Plaintiff Cleveland's emotional distress, embarrassment, anxiety, humiliation and mental suffering.

53. The emotional distress sustained by Plaintiff Cleveland as the result of the intentional conduct of Defendant General Cigar was, and is, severe.

FIFTH COUNT (Retaliatory Wrongful Constructive Discharge In Violation Of Connecticut's "Whistleblower" Statute)

1.-32. The allegations of Paragraphs 1 through 32 of the FIRST COUNT are repeated and realleged as Paragraphs 1 through 32 of the FIFTH COUNT.

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33.-42. The allegations of Paragraphs 33 through 42 of the SECOND COUNT are repeated and realleged as Paragraphs 33 through 42 of the FIFTH COUNT.

43. Plaintiff Cleveland's internal complaints to Defendant General Cigar regarding its illegal activities and public policy violations were based on his reasonable, good faith belief.

44. Plaintiff Cleveland, as the result of his internal complaints described above, was constructively discharged for pretextual reasons in retaliation by Defendant General Cigar for being a "whistleblower" before he could contact public authorities concerning the illegal activities and public policy violations.

45. Plaintiff Cleveland, as the direct result of Defendant General Cigar's conduct set forth above, has suffered and will continue to suffer, serious economic loss.

46. Defendant General Cigar, by the conduct described above, violated the spirit and intent of Connecticut General Statutes (C.G.S.), Section 31-51m(b).

SIXTH COUNT (Unintentional Infliction of Emotional Distress)

1.-32. The allegations of Paragraphs 1 through 32 of the FIRST COUNT are repeated and realleged as Paragraphs 1 through 32 of the SIXTH COUNT.

33.-42. The allegations of Paragraphs 33 through 42 of the SECOND COUNT are repeated and realleged as Paragraphs 33 through 42 of the SIXTH COUNT.

43.-49. The allegations of Paragraphs 43 through 49 of the THIRD COUNT are repeated and realleged as Paragraphs 43 through 49 of the SIXTH COUNT.

50. Defendant General Cigar, as described above, engaged in unreasonable and outrageous conduct in the wrongful constructive discharge of Plaintiff Cleveland.

51. The conduct of Defendant General Cigar described above was not privileged.

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52. Defendant General Cigar should have realized that its conduct exposed Plaintiff Cleveland to an unreasonable risk of emotional distress, embarrassment, anxiety, humiliation and mental suffering which might result in illness or bodily harm to him.

53. The conduct of Defendant General Cigar has caused, and will continue to cause, Plaintiff Cleveland substantial emotional distress.

SEVENTH COUNT (Breach Of The Implied Covenant of Good Faith And Fair Dealing)

1.-32. The allegations of Paragraphs 1 through 32 of the FIRST COUNT are repeated and realleged as Paragraphs 1 through 32 of the SEVENTH COUNT.

33.-42. The allegations of Paragraphs 33 through 42 of the SECOND COUNT are repeated and realleged as Paragraphs 33 through 42 of the SEVENTH COUNT.

43.-49. The allegations of Paragraphs 43 through 49 of the THIRD COUNT are repeated and realleged as Paragraphs 43 through 49 of the SEVENTH COUNT.

50.-53. The allegations of Paragraphs 50 through 53 of the FOURTH COUNT are repeated and realleged as Paragraphs 50 through 53 of the SEVENTH COUNT.

54.-57. The allegations of Paragraphs 43 through 46 of the FIFTH COUNT are repeated and realleged as Paragraphs 54 through 57 of the SEVENTH COUNT.

58.-61. The allegations of Paragraphs 50 through 53 of the SIXTH COUNT are repeated and realleged as Paragraphs 58 through 61 of the SEVENTH COUNT.

62. Defendant General Cigar breached the implied covenant of good faith and fair dealing which it owed to Plaintiff Cleveland by its wrongful constructive discharge of Plaintiff Cleveland in contravention of public policy.

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63. As a result of Defendant General Cigar's conduct described above, Plaintiff Cleveland has suffered, and will continue to suffer, substantial economic and other loss.

EIGHTH COUNT (C.U.T.P.A.)

1.-32. The allegations of Paragraphs 1 through 32 of the FIRST COUNT are repeated and realleged as Paragraphs 1 through 32 of the EIGHTH COUNT.

33.-42. The allegations of Paragraphs 33 through 42 of the SECOND COUNT are repeated and realleged as Paragraphs 33 through 42 of the EIGHTH COUNT.

43.-49. The allegations of Paragraphs 43 and 49 of the THIRD COUNT are repeated and realleged as Paragraphs 43 and 49 of the EIGHTH COUNT.

50.-53. The allegations of Paragraphs 50 through 53 of the FOURTH COUNT are repeated and realleged as Paragraphs 50 through 53 of the EIGHTH COUNT.

54.-57. The allegations of Paragraphs 43 through 46 of the FIFTH COUNT are repeated and realleged as Paragraphs 54 through 57 of the EIGHTH COUNT.

58.-61. The allegations of Paragraphs 50 through 53 of the SIXTH COUNT are repeated and realleged as Paragraphs 58 through 61 of the EIGHTH COUNT.

62.-63. The allegations of Paragraphs 62 and 63 of the SEVENTH COUNT are hereby repeated and realleged as Paragraphs 62 and 63 of the EIGHTH COUNT.

64. Defendant General Cigar, at all times material herein, has been engaged in trade or business.

65. Defendant General Cigar has engaged in a pattern and practice of public policy violations which have caused substantial injury to Plaintiff Cleveland and other consumers.

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66. The foregoing unconscionable conduct of Defendant General Cigar constitutes unfair and/or deceptive act(s) or practice(s) in trade or commerce in violation of Connecticut General Statutes (C.G.S.), Section 42-110b, et seq.

67. As a result of the foregoing, Plaintiff Cleveland has suffered an ascertainable loss.

NINTH COUNT (Tortious Interference With Contract By Defendant McNamara)

1.-32. The allegations of Paragraphs 1 through 32 of the FIRST COUNT are repeated and realleged as Paragraphs 1 through 32 of the NINTH COUNT.

33.-42. The allegations of Paragraphs 33 through 42 of the SECOND COUNT are repeated and realleged as Paragraphs 33 through 42 of the NINTH COUNT.

43.-49. The allegations of Paragraphs 43 through 49 of the THIRD COUNT are repeated and realleged as Paragraphs 43 through 49 of the NINTH COUNT.

50.-53. The allegations of Paragraphs 50 through 53 of the FOURTH COUNT are repeated and realleged as Paragraphs 50 through 53 of the NINTH COUNT.

54.-57. The allegations of Paragraphs 43 through 46 of the FIFTH COUNT are repeated and realleged as Paragraphs 54 through 57 of the NINTH COUNT.

58. Defendant McNamara, by the conduct described above, interfered with the contractual relationship between Plaintiff Cleveland and Defendant General Cigar, acting outside the scope of his duties using his corporate power improperly for his own personal benefit and to satisfy his own personal feelings against Plaintiff Cleveland in order to induce and effectuate the wrongful constructive discharge of Plaintiff Cleveland.

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59. The conduct of Defendant McNamara described above was intentional and knowingly done with bad motive and reckless indifference to the interests of Plaintiff Cleveland with the intent to cause wanton and malicious injury to Plaintiff Cleveland.

60. As a direct result of Defendant McNamara's intentional conduct described above, Plaintiff Cleveland has suffered, and will continue to suffer, substantial economic loss.

WHEREFORE, Plaintiff Paul T. Cleveland demands:

1. Reinstatement;
2. Money damages;
3. Noneconomic damages;
4. Punitive damages;
5. Attorney's fees and costs pursuant to C.G.S., Sections 42-110b and 42-110g(d), et seq.; and
6. Such other relief as the courts deem equitable and proper.

Notice is hereby given to the Defendants that the Plaintiff intends to seek satisfaction of any judgment rendered in his favor in this action out of the debt occurring to the Defendants by reason of the Defendants' personal service.

PLAINTIFF, PAUL T. CLEVELAND

BY

*David M. Somers*

David M. Somers, Esq.  
David M. Somers & Associates, P.C.  
56 East Main Street  
P.O. Box 515  
Avon, CT 06001  
Juris No. 106184  
(860) 676-1669

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DAVID M. SOMERS & ASSOCIATES, P.C.

ATTORNEY AT LAW

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Alison R. Drevline, of Torrington, Connecticut is hereby recognized in the sufficient sum of \$250.00 to prosecute, etc.

Alison R. Drevline

Please enter the Appearance of David M. Somers & Associates, P.C., 56 East Main Street, P.O. Box 515, Avon, Connecticut 06001 for the Plaintiff.

David M. Somers

David M. Somers, Esq.  
David M. Somers & Associates, P.C.  
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ATTORNEY AT LAW

56 EAST MAIN STREET • P.O. Box 515 • AVON, CONNECTICUT 06001 • TEL. (203) 676-1669

RETURN DATE: NOVEMBER 21, 1995

: SUPERIOR COURT

PAUL T. CLEVELAND

: JUDICIAL DISTRICT OF  
HARTFORD/NEW BRITAIN

VS.

: AT HARTFORD

GENERAL CIGAR CO., INC.

: OCTOBER 25, 1995

AND

AUSTIN T. McNAMARA

STATEMENT OF AMOUNT IN DEMAND

The Plaintiff prays for relief, the amount of which exceeds  
\$15,000.00, exclusive of interest and costs.

PLAINTIFF, PAUL T. CLEVELAND

BY

*David M. Somers*

David M. Somers, Esq.

David M. Somers & Associates, P.C.

56 East Main Street

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PAUL T. CLEVELAND  
ANGELA J. CLEVELAND

01-007111 000 MA

0144

*1/20 10-95*

PAY TO THE  
ORDER OF

*Bob Dole for President*

\$ 1000.00

*One Thousand and 00/100*

DOLLARS



**BANK OF BOSTON**

02-4200 4239 08-03-95

CONNECTICUT

FOR

*Paul Cleveland*

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EXHIBIT A

VENDOR NO.  
01-014652

 General Cigar Co., Inc. a company of  
Culbro Corporation 

CHECK DATE BANK CHECK  
08/08/95 LM-057874

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
08 03 95	8/95-ADV	08004-24028	1,000.00	.00	1,000.00
			1,000.00	.00	1,000.00
			TOTAL GROSS AMOUNT	TOTAL DISCOUNT	TOTAL NET

PLEASE DETACH BEFORE DEPOSITING



 General Cigar Co., Inc.  
320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  
Culbro Corporation 

62 26  
311

0267-09

G 057874

08/08/95 LM-0578  
CHECK DATE BANK CHECK

\*\*\*\*\*1,000.00\*

DOLLARS CENTS

PAUL CLEVELAND

CHECK AMOUNT  
\$1,000.00

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

CHEMICAL BANK DELAWARE  
1201 Market Street  
Wilmington, Delaware 19801

⑈057874⑈ ⑆031100267⑆ 6301402677 509⑈

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EXHIBIT B

# Attention Retailers!

Do you sell a lot of Phillies Blunts? If so, you might like to know, the latest craze with some Phillies Blunt users is the White Owl Invincible.

As you probably know, supplies of Phillies Blunts have been limited to small weekly allotments. As a result, we now carry a supply of White Owl Invincible box that is more readily available.

## Introductory Offer!

List Price: \$11.90  
Less - 1.40 Promotional Allowance  
Unit Cost: \$10.50 50 ct box  
Cost each: \$ .21  
Sug. Retail \$ .70  
Returns: \$35.00

**White Owl.**  
**INVINCIBLE**



## Also available:

White Owl Blunt 50 ct. Box  
Cost/Unit \$ 8.55  
Cost each \$ .17  
Sug. Retail \$ .50  
Returns \$25.00



White Owl Blunt 2/for  
Cost/Unit \$ 8.15  
Cost each \$ 1.63  
Sug. Retail \$ 1.99 (5/unit)  
Returns \$ 9.95

If you have any questions about these or any other General Cigar Company products, please contact your local Rep.:

Scott Snyder (609) 728-6811  
Rick Bobenek (800) 888-3310 Ext. #4429



EXHIBIT C

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320 West Newberry Road  
 Bloomfield, CT 06002-1398  
 203/769-3600  
 Telex: 325896  
 Cable: CULBROCORP NYK

a company of  
 Culbro Corporation



Austin T. McNamara  
 President  
 (TEL) 203/769-3601  
 (FAX) 203/769-3678

September 1, 1985

**CONFIDENTIAL**

Resulting from the investigation conducted regarding the marijuana found in Dothan, it has been determined that fraudulent invoices for trucking services have been submitted to General Cigar for payment. Payment was made on these invoices causing the company to lose at least \$200,000.

Paul Cleveland, General Cigar's Senior Vice President-Operations, processed these invoices in a way which was an unacceptable deviation from the company's business practices. Effective today, Mr. Cleveland has been suspended from General Cigar, pending results of our ongoing investigation. At this time, we have no evidence that the fraudulent bills are connected in any way with the drugs.

Austin T. McNamara will immediately assume responsibility for the Company's Operation functions, and the following changes will be implemented.

Roland Morin will be appointed Director of Operations, and assumes full responsibility for both Dothan and Jamaican operations. Roland will report to Austin McNamara.

Tony Cipolloni will be appointed Plant Manager-Dothan and will be responsible for Dothan's manufacturing operations. All individuals in the current organization not specified in the following will continue to report to Tony. Tony will report to Roland Morin.

Peter Brown will be appointed Plant Manager-Jamaica. Peter will be responsible for the manufacturing of premium cigars in Jamaica. He will report to Roland Morin. Of note, Donovan Owen, Controller-Jamaica, will report to Robert Loftus, Vice President-Finance. He will continue to have a dotted line reporting responsibility to Mr. Brown.

Patrick Harker, Garfield McGhie, and Keith Evans will all now report to Peter Brown. Patrick Harker will continue in his role as Manufacturing Manager. Garfield McGhie, Operations Manager, will now be responsible for both Tobacco House and the box plant. Keith Evans, Consultant, will handle the materials management function.

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RECEIVED  
UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF ALABAMA

FILED

YDR

-----X  
GENERAL CIGAR CO., INC.,  
Plaintiff,

SEP 07 1986  
COMPLAINT  
CLERK  
U.S. DIST. COURT  
MIDDLE DIST. OF ALABAMA  
DEPUTY CLERK, ET AL.

-against-

CR CARRIERS, INC.,

CU-95-A-1167-5

Defendant.  
-----X

General Cigar Company Co., Inc., complaining of the Defendant by and through its attorney, JAMES D. HARMON, JR., and local counsel, DAVID B. BYRNE, JR., alleges as follows:

PARTIES

1. Plaintiff General Cigar Co., Inc., (hereinafter "General Cigar") is a corporation organized under the laws of the State of Delaware, having its principal place of business located at 320 West Newberry Road, Bloomfield, CT 06002-1398, engaged in the business of making, distributing and selling cigars of various types.

2. Upon information and belief, at all times hereinafter mentioned, Defendant CR Carriers, Inc. ("hereinafter "CR Carriers") was and is a corporation organized under the laws of the State of Alabama, having its principal place of business located at 1404 Enterprise Street, Dothan, AL 36303-5130, engaged in the business of providing interstate trucking services.

3. Thomas B. Ross, resides at 103 Hickory Road, Dothan, AL 36301 and, upon information and belief, was and continues to be an owner, officer and agent of CR Carriers.

EXHIBIT E

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4. C. Michael Cody, resides at 1200 Dartmouth Drive, Dothan, AL 36301 and, upon information and belief, was and continues to be an owner, officer and agent of CR Carriers.

5. Upon information and belief, at all times hereinafter mentioned, Amsouth Bank was a financial institution licensed to provide banking services in the State of Alabama, having its principal business at 720 39th Street North, Birmingham, AL.

JURISDICTION

6. Original jurisdiction of this Court is founded upon 28 U.S.C. 1331 in that this is a civil action wherein the matter in controversy arises under the laws of the United States, that is, 18 U.S.C. §1962(c) (Racketeer Influenced Corrupt Organizations/RICO) Original jurisdiction of this Court is also founded upon 28 U.S.C. 1332, based upon the diversity of the parties and the fact that the amount in controversy exceeds \$50,000.

NATURE OF THE ACTION

7. Plaintiff General Cigar contracted with CR Carriers to transport cigars, tobacco leaf and waste materials from General Cigar's plant in Dothan, AL for delivery to various General Cigar customers and facilities, primarily located in States northeast of Dothan, AL. CR Carriers defrauded General Cigar through a pattern of racketeering activity by submitting, and causing to be paid, invoices for trucking services never rendered, known at present to have caused damages to General Cigar exceeding the sum of one hundred thousand dollars (\$125,000).

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THE SCHEME TO DEFRAUD

8. Beginning on or about September 12, 1994 and continuing to on or about July 18, 1995, both dates being approximate, in the Middle District of Alabama and elsewhere, Defendant CR Carriers contracted with General Cigar to transport various cigars from General Cigar's Dothan plant to various customers located in the States of North Carolina, New Jersey and elsewhere.

9. As a matter of business custom and practice CR Carriers would thereafter submit an invoice for payment directly to Paul Cleveland, General Cigar's senior vice president/operations whose office was located in Bloomfield, CT. Mr. Cleveland would then approve each such invoice for payment resulting in the issuance of a General Cigar check payable to CR Carriers which was then mailed to CR Carriers at P.O. Box 2233, Dothan, AL. Upon information and belief, such checks were then deposited in the CR Carriers general account at the Dothan, AL branch of the Amsouth Bank. As a matter of general practice, such checks contained a stamped endorsement reading "CR Carriers Inc." and "FOR DEPOSIT ONLY".

10. As a matter of general practice, Plaintiff General Cigar submitted invoices for trucking services to an independent freight audit company for review, except for the invoices of defendant CR Carriers which Mr. Cleveland directed be routed to him personally, thus avoiding review by the freight forwarding company. Nonetheless, all General Cigar checks in excess of five thousand

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dollars (\$5,000) required the signatures of two authorized persons before any such corporate check could be issued.

11. CR Carriers also transported tobacco leaf and scrap and waste material from Dothan, AL to Lancaster, PA and picked up tobacco and other material for transport to Dothan, AL. During the approximate period September 12, 1994 through July 18, 1995, Defendant CR Carriers submitted one hundred twenty-nine (129) fraudulent invoices to General Cigar for transportation of leaf and scrap and leaf materials never performed. Mr. Cleveland approved each such invoice, none of which exceeded the five thousand dollar (\$5000) dual signature requirement. His sole approval caused plaintiff General Cigar to issue twenty eight (28) checks exceeding the total sum of one hundred twenty five thousand dollars (\$125,000) payable to CR Carriers for fictitious trucking of tobacco leaf, scrap tobacco, and packaging materials. Mr. Cleveland's sole approval of the fraudulent CR Carriers invoices also caused such checks to be sent from General Cigar's Bloomfield, CT offices to CR Carriers at P.O. Box 2233, Dothan, AL 36302 by means of the United States mails.

12. Each such check procured by fraud upon fictitious invoices was then cashed, upon information and belief, at the Amsouth Bank branch in Dothan, AL in which CR Carriers maintained its general account. Each such fraudulent check bears the handwritten endorsement "CR Carriers" or "CR Carriers Inc", and "C. Michael Cody".

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THE RACKETEERING ENTERPRISE

13. The racketeering enterprise ("the Enterprise") as that term is defined in 18 U.S.C. § 1961(4) consisted of a group of individuals associated in fact, including Defendant CR Carriers, Inc., Thomas Ross, Paul Cleveland, C. Michael Cody, AmSouth Bank, and others as yet unknown, the affairs of which affected interstate commerce between the States of Alabama, North Carolina, New Jersey, Pennsylvania, Connecticut and other states.

THE PATTERN OF RACKETEERING ACTIVITY

14. The pattern of racketeering activity, as that term is defined in 18 U.S.C. § 1961(1), consisted of mail fraud and money laundering offenses in violation of 18 U.S.C. §1341 and 18 U.S.C §1956 in that defendant CR Carriers did devise and intend to devise a scheme and artifice to defraud, and for obtaining money and property, and did use, and cause to be used, the United States mails for the purpose of executing such scheme and artifice to defraud, and for the purpose of obtaining money and property.

15. Defendant CR Carriers committed said mail fraud offenses by sending fraudulent invoices through the United States mail and causing them to be delivered by the United States Postal Service and by causing General Cigar to have checks in payment for such fraudulent invoices sent and delivered by the United States Postal Service on or about the date of each check as follows:

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CHECK DATE	CHECK NO.	CHECK AMOUNT	INVOICE NO.	INVOICE AMOUNT
07-18-95	23452		22417	\$975.00
07-18-95	23452		22416	\$1,510.28
07-18-95	23452		22410	\$975.00
07-18-95	23452	\$4,435.28	22409	\$975.00
07-18-95	23376		22408	\$975.00
07-18-95	23376		22404	\$975.00
07-18-95	23376		22401	\$525.00
07-18-95	23376		22400	\$975.00
07-18-95	23376	\$4,425.00	22399	\$975.00
07-13-95	23377		22437	\$1,384.75
07-13-95	23377		22436	\$975.00
07-13-95	23377		22432	\$975.00
07-13-95	23377	\$4,309.75	22428	\$975.00
07-06-95	23146		22427	\$1,510.28
07-06-95	23146		22426	\$975.00
07-06-95	23146		22425	\$975.00
07-06-95	23146		22421	\$400.00
07-06-95	23146	\$4,385.28	22420	\$525.00
06-08-95	22503		22388	\$975.00
06-08-95	22503		22387	\$1,323.80
06-08-95	22503		22385	\$975.00
06-08-95	22503	\$4,548.80	22383	\$975.00
06-15-95	22488		22377	\$1,384.75
06-15-95	22488		22372	\$975.00
06-15-95	22488		22371	\$975.00
06-15-95	22488		22343	\$975.00
06-15-95	22488	\$4,709.75	22342	\$400.00
06-13-95	22487		22382	\$975.00
06-13-95	22487		22381	\$975.00

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CHECK DATE	CHECK NO.	CHECK AMOUNT	INVOICE NO.	INVOICE AMOUNT
06-13-95	22487		22380	\$525.00
06-13-95	22487		22379	\$1,510.28
06-13-95	22487	\$4,960.28	22378	\$975.00
06-06-95	22399		22397	\$525.00
06-06-95	22399		22396	\$975.00
06-06-95	22399		22394	\$975.00
06-06-95	22399		22392	\$1,384.75
06-06-95	22399	\$4,834.75	22390	\$975.00
05-09-95	21737		22357	\$975.00
05-09-95	21737		22351	\$1,287.26
05-09-95	21737		22347	\$975.00
05-09-95	21737	\$4,212.26	22346	\$975.00
05-04-95	21736		22370	\$1,686.56
05-04-95	21736		22366	\$975.00
05-04-95	21736		22365	\$975.00
05-04-95	21736	\$4,611.56	22364	\$975.00
05-11-95	21735		22339	\$975.00
05-11-95	21735		22338	\$1,161.26
05-11-95	21735		22331	\$975.00
05-11-95	21735		22330	\$525.00
05-11-95	21735	\$4,036.26	22327	\$400.00
05-16-95	21734		22317	\$975.00
05-16-95	21734		22313	\$525.00
05-16-95	21734		22312	\$400.00
05-16-95	21734		22309	\$1,384.75
05-16-95	21734	\$4,259.75	22308	\$975.00
03-14-95	20614		22356	\$975.00
03-14-95	20614		22350	\$975.00
03-14-95	20614		22345	\$975.00

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CHECK DATE	CHECK NO.	CHECK AMOUNT	INVOICE NO.	INVOICE AMOUNT
03-14-95	20614	\$4,216.04	22344	\$975.00
03-16-95	20613		22341	\$1,026.00
03-16-95	20613		22337	\$975.00
03-16-95	20613		22336	\$1,384.78
03-16-95	20613	\$4,360.75	22332	\$975.00
03-21-95	20612		22326	\$975.00
03-21-95	20612		22325	\$975.00
03-21-95	20612		22322	\$525.00
03-21-95	20612		22321	\$1,510.28
03-21-95	20612	\$4,385.28	22318	\$400.00
03-23-95	20611		22311	\$975.00
03-23-95	20611		22307	\$975.00
03-23-95	20611		22302	\$975.00
03-23-95	20611		22301	\$1,384.75
03-23-95	20611	\$4,709.75	22300	\$400.00
02-21-95	20184		22355	\$525.00
02-21-95	20184		22354	\$975.00
02-21-95	20184		22353	\$975.00
02-21-95	20184		22352	\$400.00
02-21-95	20184		22549	\$975.00
02-21-95	20184	\$4,825.00	22348	\$975.00
02-09-95	19997		22376	\$975.00
02-09-95	19997		22375	\$975.00
02-09-95	19997		22374	\$975.00
02-09-95	19997	\$4,585.36	22373	\$1,660.36
02-14-95	19996		22369	\$975.00
02-14-95	19996		22368	\$1,467.78
02-14-95	19996		22367	\$975.00
02-14-95	19996	\$4,392.78	22363	\$975.00

CHECK DATE	CHECK NO.	CHECK AMOUNT	INVOICE NO.	INVOICE AMOUNT
02-16-95	19995		22362	\$1,161.26
02-16-95	19995		22361	\$975.00
02-16-95	19995		22360	\$400.00
02-16-95	19995		22359	\$975.00
02-16-95	19995	\$4,486.26	22358	\$975.00
02-07-95	19967		22340	\$1,384.75
02-07-95	19967		22335	\$975.00
02-07-95	19967		22334	\$975.00
02-07-95	19967	\$4,309.75	22333	\$975.00
01-31-95	19858		22329	\$975.00
01-31-95	19858		22328	\$975.00
01-31-95	19858		22324	\$1,323.80
01-31-95	19858	\$4,248.80	22323	\$975.00
01-24-95	19765		22320	\$525.00
01-24-95	19765		22319	\$975.00
01-24-95	19765		22316	\$975.00
01-24-95	19765		22315	\$400.00
01-24-95	19765	\$4,385.28	22314	\$1,510.28
01-24-95	19747		22310	\$975.00
01-24-95	19747		22306	\$975.00
01-24-95	19747		22305	\$975.00
01-24-95	19747		22304	\$525.00
01-24-95	19747	\$4,834.75	22299	\$1,384.75
01-12-95	19515		22689	\$975.00
01-12-95	19515		22683	\$975.00
01-12-95	19515		22682	\$975.00
01-12-95	19515		22681	\$525.00
01-12-95	19515	\$4,425.00	22573	\$975.00
01-17-95	19514		22598	\$975.00

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CHECK DATE	CHECK NO.	CHECK AMOUNT	INVOICE NO.	INVOICE AMOUNT
01-17-95	19514		22697	\$1,384.75
01-17-95	19514		22696	\$975.00
01-17-95	19514	\$4,309.75	22691	\$975.00
01-10-95	19411		22663	\$975.00
01-10-95	19411		22598	\$975.00
01-10-95	19411		22597	\$400.00
01-10-95	19411		22596	\$1,384.75
01-10-95	19411	\$4,709.75	22591	\$975.00
12-20-94	19213		22590	\$1,634.36
12-20-94	19213		22589	\$975.00
12-20-94	19213		22588	\$975.00
12-20-94	19213		22583	\$400.00
12-20-94	19213	\$4,509.36	22581	\$525.00

each said mailing consisting of a separate act of racketeering activity as that term is defined in 18 U.S.C. § 1961(1).

16. Defendant CR Carriers committed said money laundering offenses by conducting and attempting to conduct financial transactions, to wit, cashing, and causing to be cashed, at the Amsouth Bank, the branch located in Dothan, AL, each check enumerated in the preceding paragraph, involving the proceeds of specified unlawful activity, knowing that the property involved in each such financial transaction represented the proceeds of some form of unlawful activity, to wit, mail fraud in violation of 18 U.S.C. § 1341, and with the intent to promote the carrying on of said specified unlawful activity, for example, as follows:

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<u>Date of Deposit</u>	<u>Check No.</u>	<u>Amount</u>
01-17-95	G 052450	\$ 4,709.75
01-24-95	G 053062	\$ 4,309.75
06-13-95	G 056057	\$ 4,246.60

each such transaction consisting of a separate act of racketeering activity as that term is defined in 18 U.S.C § 1961(1), all in violation of 18 U.S.C. §1956(a)(1)(A)(i).

**AS AND FOR A FIRST CLAIM FOR RELIEF  
AGAINST DEFENDANT CR CARRIERS INC.**

17. Plaintiff General Cigar repeats and restates paragraphs "1" through "16" and incorporates them by reference as if fully restated herein.

18. Defendant CR Carriers, directly and indirectly, conducted and participated in the conduct of the affairs of the Enterprise through a pattern of racketeering activity consisting of violations of 18 U.S.C. §1341 (mail fraud) and 18 U.S.C. § 1956(a)(1)(A)(i) (money laundering), all in violation of 18 U.S.C. § 1962(c) (RICO).

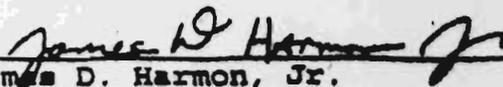
19. By reason of the aforementioned violation of 18 U.S.C. § 1962(c), Defendant CR Carriers injured Plaintiff General Cigar in its business and property causing damages in an amount not less than one hundred twenty five thousand dollars (\$125,000).

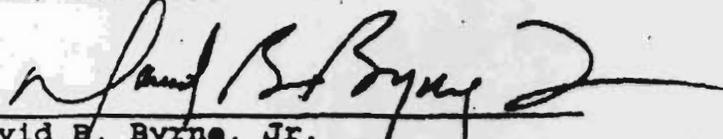
WHEREFORE, Plaintiff General Cigar demands judgment as against Defendant CR Carriers in favor of plaintiff General Cigar in the sum of one hundred thousand dollars (\$125,000) trebled, the precise amount to be determined at trial, reasonable attorneys fees, such

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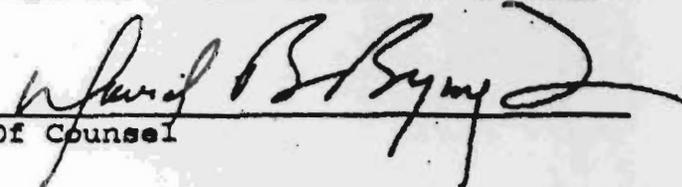
interest as may be permitted by law, and such other further and additional relief as to this Court seems just and proper.

Dated: New York, New York  
September 5, 1995

  
James D. Harmon, Jr.  
JDH 9965  
The Harmon Firm  
Attorney for Plaintiff  
General Cigar Co., Inc.  
730 Fifth Avenue  
New York, NY 10019  
(212) 333-8690

  
David E. Byrne, Jr.  
Local Counsel for Plaintiff  
General Cigar Co., Inc.  
Robison & Belser, P.A.  
210 Commerce Street, Second Floor  
Post Office Drawer 1470  
Montgomery, AL 36102  
(334) 834-7000

PLAINTIFF DEMANDS A TRIAL BY JURY AS TO ALL ISSUES SO TRIABLE.

  
Of Counsel

97043775447



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 12, 1995

Paul T. Cleveland  
33 Pine Glen Road  
Simsbury, CT 06070

RE: MUR 4286

Dear Mr. Cleveland:

This letter acknowledges receipt on December 6, 1995, 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.

Please be advised that this Office is not in the position to offer advice regarding what you should do with the contribution refund checks. You may wish to seek the advice of your counsel or inquire whether the question you raise can be addressed through the Commission's advisory opinion processes. For guidance on Advisory Opinion Request, please call 1-800-424-9530.

At this time, the information you have submitted regarding your complaint is sufficient. 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 4286. 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

97043775448



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

*December 12, 1995*

Registered Agent  
CT Corporation Systems  
1 Commercial Plaza  
Hartford, CT 06103

RE: MUR 4286

Dear Sir or Madam:

The Federal Election Commission received a complaint which indicates that General Cigar Company, Inc. may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4286. 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 General Cigar Company, Inc., in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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

97043775449

If you have any questions, please contact Alva E. Smith 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

9704377545C



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 12, 1995

Austin T. McNamara  
12 Aspenwood  
Simsbury, CT 06089

RE: MUR 4286

Dear Mr. McNamara:

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 4286. 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.

97043775451

If you have any questions, please contact Alva E. Smith 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

97043775452



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

*December 12, 1995*

Barbara Sambrook, Executive Assistant  
General Cigar Co., Inc.  
320 West Newberry Road  
Bloomfield, CT 06002

**RE: MUR 4286**

Dear Ms. Sambrook:

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 4286. 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.

97043775453

If you have any questions, please contact Alva E. Smith 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

97043775454



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

*December 12, 1995*

**Robert Loftus, Vice President**  
**General Cigar Co., Inc.**  
**320 West Newberry Road**  
**Bloomfield, CT 06002**

**RE: MUR 4286**

Dear Mr. Loftus:

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 4286. 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.

97043775455

If you have any questions, please contact Alva E. Smith 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

97043775456

# Culbro Corporation

387 Park Avenue South  
New York, NY 10016-8899  
212/561-8700  
Telex: 325896  
Cable: CULBROCORP NYK



A. Ross Wollen  
Senior Vice President  
General Counsel  
212/561-8714  
FAX: 212/561-8791

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
DEC 31 10 29 AM '95

December 27, 1995

Mary L. Taskar, Esq.  
Central Enforcement Docket  
Federal Elections Commission  
Washington, DC 20463

Re: General Cigar Co., Inc. - MUR 4286

Dear Ms. Taskar:

I am the General Counsel of Culbro Corporation. General Cigar Co., Inc. is one of our subsidiary companies. Your letter dated December 12, 1995 to General Cigar in which you advise that the Federal Election Commission has received a complaint which indicates that General Cigar may have violated the Federal Election Campaign Act of 1971 has been referred to me for response.

Enclosed you will find a duly completed Statement of Designation of Counsel, authorizing me to represent General Cigar and to receive any notifications and other communications from the Commission.

Given the timing of our receipt of your letter (Friday, December 15, 1995) and the holidays, it will be impossible to complete the internal investigation that is necessary before a response to the allegations can be prepared and submitted within the fifteen days set forth in your letter. Therefore, I respectfully request that the Commission grant an additional thirty (30) days beyond the fifteen allowed for our response to be submitted (i.e., to January 29, 1996). I assure you that the allegations are being taken seriously and will be addressed in the appropriate manner without further delay.

Very truly yours,

ah/7110

97043775457

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4286

NAME OF COUNSEL: A. Ross Wollen, Esq.

General Counsel  
FIRM: General Cigar Co., Inc. c/o Culbro Corporation

ADDRESS: 387 Park Avenue South

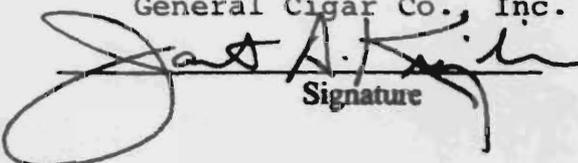
New York, NY 10016-8899

TELEPHONE: (212) 561-8700

FAX: (212) 561-8791

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~~ our behalf before the Commission.

12/27/95  
Date

General Cigar Co., Inc.  
  
Signature

RESPONDENT'S NAME: Janet A. Krajewski  
Vice President

ADDRESS: c/o Culbro Corporation

387 Park Avenue South

New York, NY 10016-8899

TELEPHONE: HOME( ) \_\_\_\_\_

BUSINESS(212 ) 561-8700

9 / 0 4 3 7 7 5 4 5 8



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

December 28, 1995

A. Ross Wollen, General Counsel  
Culbro Corporation  
387 Park Avenue South  
New York, NY 10016-8899

RE: MUR 4286  
General Cigar Co., Inc.

Dear Mr. Wollen:

This is in response to your letter dated, December 27, 1995, requesting an extension until January 29, 1996, 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 January 29, 1996.

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

Sincerely,

  
Alva E. Smith, Paralegal  
Central Enforcement Docket

97043775459

GARRISON, PHELAN, LEVIN-EPSTEIN & PENZEL, P.C.

ATTORNEYS AT LAW  
405 ORANGE STREET

NEW HAVEN, CONNECTICUT 06511  
TEL. 203-777-4425  
FAX. 203-776-3965

LEGAL ASSISTANTS  
CHERYL MATHURO  
KAREN A. DETMERS  
MARIE CHIAPPETTA

JOSEPH D. GARRISON  
MARKUS L. PENZEL†  
GARY PHELAN\*  
ETHAN A. LEVIN-EPSTEIN†  
ROBERT A. RICHARDSON  
LEWIS CHIMES†  
DEBORAH J. KRAUSS\*  
MICHELE LANG PALTER\*

\* ALSO ADMITTED TO NEW YORK BAR  
† ALSO ADMITTED TO MASSACHUSETTS BAR  
‡ ALSO ADMITTED TO TEXAS BAR

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

JUN 2 12 29 PM '95

December 29, 1995

VIA FACSIMILE TO 1-202-219-3923 AND CERTIFIED MAIL

Mary L. Taksar, Attorney  
Central Enforcement Docket  
Federal Elections Commission  
Washington, D.C. 20463

Re: Austin McNamara  
Robert Loftus  
Barbara Sambrook  
MUR 4286

Dear Ms. Taksar:

I have been retained and designated as counsel to respond to the above referenced complaint. Your letters dated December 12, 1995, addressed to each party, were received December 15th.

Enclosed you will find a duly completed Statement of Designation of Counsel, authorizing me to represent the respondents and to receive any notifications and other communications from the Commission.

Given the timing of my clients' receipt of your letters, and the intervening holidays, it will be impossible to complete the internal investigation that is necessary before a response to the allegations can be prepared and submitted within the fifteen days described in your letters. Our inability to respond in a timely fashion is further complicated by a sudden illness that has kept me at home and away from the office for the last seven days. (In fact, I am dictating this letter from my bed at home.)

9704377546C

Therefore, I respectfully request that the Commission grant an additional thirty (30) days beyond the fifteen allowed for our response to be submitted. My clients and I will be most grateful for the Commission's consideration of this request and will address the allegations by January 29, 1996.

Very truly yours,

*Ethan Levin-Epstein/Kad*

Ethan Levin-Epstein

ELE/kad

Enclosure

97043775461

**STATEMENT OF DESIGNATION OF ATTORNEY**

We, the undersigned employees of General Cigar Co., Inc., hereby designate Ethan Levin-Epstein, Esq. of Garrison, Phelps, Levin-Epstein & Pessel, Inc., to represent each of us in connection with the inquiry by the Federal Elections Commission in case MUR. 4286.

12/22/95  
Date

*Austin McNamara*  
AUSTIN McNAMARA

12/22/95  
Date

*Robert Loftus*  
ROBERT LOFTUS

12/22/95  
Date

*Barbara Sambrook*  
BARBARA SAMBROOK

97043775462



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 3, 1996

Ethan Levin-Epstein, Esq.  
GARRISON, PHELAN, LEVIN-EPSTEIN & PENZEL, P.C.  
405 Orange Street  
New Haven, CT 05511

RE: MUR 4286  
Austin McNamara  
Robert Loftus  
Barbara Sambrook

Dear Mr. Epstein:

This is in response to your letter dated December 29, 1995, requesting an extension until January 29, 1996, 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 January 29, 1996.

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

Sincerely,

Alva E. Smith, Paralegal  
Central Enforcement Docket

97043775463



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 24, 1996

Briggs Goggans, Treasurer  
Friends of Newt Gingrich  
1085 Holcomb Bridge, Suite 190A  
Roswell, GA 30077

RE: MUR 4286

Dear Mr. Goggans:

The Federal Election Commission received a complaint which indicates that Friends of Newt Gingrich ("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 4286. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to administrative oversight. 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.

97043775464

Friends of Newt Gingrich  
Page 2

If you have any questions, please contact Alva E. Smith 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: The Honorable Newton Leroy Gingrich

97043775465



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 24, 1996

Robert E. Lighthizer, Treasurer  
Dole for President, Inc.  
P.O. Box 77658  
Washington, D.C. 20013

RE: MUR 4286

Dear Mr. Lighthizer:

The Federal Election Commission received a complaint which indicates that Dole for President, Inc., ("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 4286. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to administrative oversight. 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.

*Celebrating the Commission's 20th Anniversary*

YESTERDAY, TODAY AND TOMORROW  
DEDICATED TO KEEPING THE PUBLIC INFORMED

97043775466

Dole for President, Inc.  
Page 2

If you have any questions, please contact Alva E. Smith 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: The Honorable Robert J. Dole

97043775467

SKADDEN, ARPS, SLATE, MEAGHER & FLOM

1440 NEW YORK AVENUE, N.W.

WASHINGTON, D.C. 20005-2111

FAX: (202) 393-5760

(202) 371-7000

DIRECT DIAL

(202) 371-

BOSTON  
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 NEW YORK  
 SAN FRANCISCO  
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BEIJING  
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 MOSCOW  
 PARIS  
 PRAGUE  
 SYDNEY  
 TOKYO  
 TORONTO

January 26, 1996

Via Facsimile

Mary Taksar, Esq.  
 Federal Elections Commission  
 999 E Street, N.W.  
 Washington, D.C. 20467

Re: MER 4286 General Cigar

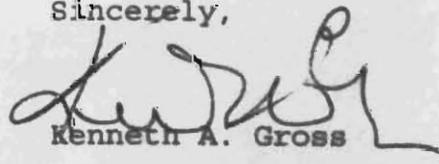
Dear Mary:

This request is pursuant to our telephone conversation today. As you know, I was just designated counsel for General Cigar in the above-referenced case. The inside counsel for General Cigar has already obtained a thirty day extension which makes the response due on Monday, January 29, 1996.

Due to my newness to the case and the fact I am scheduled to be out of town on Monday, it would be extremely helpful if you would grant us a 48 hour extension until close of business Wednesday, January 31, 1996. We really could use the two additional days to make sure all the information is in order, but even a 24 hour extension would be useful.

Please call me this afternoon if you will extend the time for response one or two days. Thanks for your consideration.

Sincerely,



Kenneth A. Gross

cc: Alva Smith

JAN 29 2 00 PM '96

RECEIVED  
 FEDERAL ELECTION  
 COMMISSION  
 OFFICE OF GENERAL  
 COUNSEL

97043775468

SKADDEN, ARPS, SLATE, MEAGHER & FLOM  
1440 NEW YORK AVENUE, N.W.  
WASHINGTON, D.C. 20005

Telephone No.: (202) 371-7000  
Facsimile No.: (202) 393-5760  
Direct Facsimile No.: (202)371-7956

FACSIMILE TRANSMITTAL SHEET

Please deliver the following pages to:

Name: Alva E. Smith, Esq.  
Firm: FEC Date: Jan 25, 1996  
City: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: (202)219-3880  
From: Kenneth A. Gross Flr/Rm.: 8  
Ext.: 7007

Total number of pages including this cover: 2

This facsimile is intended only for use of the addressee named above and may contain legally privileged and/or confidential information. If you are not the intended recipient of this facsimile, you are hereby notified that any dissemination, distribution or copying of this facsimile is strictly prohibited. If you have received this facsimile in error, please immediately notify us by telephone and return the original facsimile to us at the address above via the local postal service. We will reimburse any costs you incur in notifying us and returning the facsimile to us.

MESSAGE:

RECEIVED  
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COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
JAN 25 3 31 PM '96

97043775469

**STATEMENT OF DESIGNATION OF COUNSEL**

MUR 4286

NAME OF COUNSEL: Kenneth Cross, Esq.

FIRM: Skadden Arps Slate Meagher & Flom

ADDRESS: 1440 New York Avenue NW

Washington, DC 20005

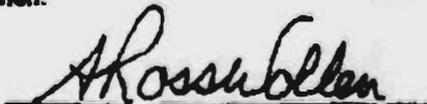
TELEPHONE: (202) 371-7900

FAX: (202) 393-5760

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.

1/22/96

Date



Signature

A. Ross Wollen  
Secretary

RESPONDENT'S NAME: General Cigar Co., Inc.

ADDRESS: c/o Culbro Corporation  
387 Park Avenue South

New York, NY 10016

TELEPHONE: HOME (212) 561-8700

BUSINESS (212) 561-8791

JUN 25 3 31 PM '96

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COMMISSION  
OFFICE OF GENERAL  
COUNSEL

97043775470



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 26, 1996

Kenneth A. Gross, Esq.  
Skadden, Arps, Slate, Meagher & Flom  
1440 New York Avenue, NW  
Washington, DC 20005-2111

RE: MUR 4286

Dear Mr. Gross:

This letter is in response to your letter dated January 26, 1996, indicating that you have just been designated counsel for General Cigar. Your letter states that in-house counsel for General Cigar has already obtained a 30-day extension until Monday, January 29, 1996 for responding to the complaint filed in the above-noted matter. Your letter requests an additional 2-day extension because you were just designated counsel and will be out of town on Monday, January 29, 1996.

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 Wednesday, January 31, 1996. We will be unable to grant any further extensions for responding to the complaint.

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

Sincerely,

*Mary L. Taksar*

Mary L. Taksar, Attorney  
Central Enforcement Docket

97043775471

**GARRISON, PHELAN, LEVIN-EPSTEIN & PENZEL, P.C.**

ATTORNEYS AT LAW  
405 ORANGE STREET

NEW HAVEN, CONNECTICUT 06511  
TEL. 203-777-4425  
FAX. 203-776-3965

LEGAL ASSISTANTS  
CHERYL MATURO  
KAREN A. DETMERS  
MARIE CHIAPPETTA

JOSEPH D. GARRISON  
MARKUS L. PENZEL<sup>†</sup>  
GARY PHELAN<sup>\*</sup>  
ETHAN A. LEVIN-EPSTEIN<sup>†</sup>  
ROBERT A. RICHARDSON  
LEWIS CHINES<sup>†</sup>  
DEBORAH J. KRAUSS<sup>\*</sup>  
MICHELE LANG PALTER<sup>\*</sup>

\* ALSO ADMITTED TO NEW YORK BAR  
† ALSO ADMITTED TO MASSACHUSETTS BAR  
‡ ALSO ADMITTED TO TEXAS BAR

January 29, 1996

**VIA FACSIMILE (1-202-219-3923)**  
**& CERTIFIED MAIL**

Mary L. Taksar, Esq.  
Central Enforcement Docket  
Federal Elections Commission  
Washington, D.C. 20463

Re: Austin T. McNamara  
Robert Loftus  
Barbara Sambrook  
MUR 4286

Dear Ms. Taksar:

Please accept this letter as the listed respondents' response to the referenced MUR. On their behalf, I respectfully reserve the opportunity to supplement this response.

Mr. McNamara is the President of General Cigar Co., Inc. Mr. Loftus is General Cigar's Chief Financial Officer. Ms. Sambrook is Mr. McNamara's secretary. General Cigar is a subsidiary of Culbro Corporation.

Paul Cleveland's complaint to the FEC, which initiated the instant MUR, was made in conjunction with a wrongful termination suit that Mr. Cleveland brought in Connecticut in October, 1995. Mr. Cleveland was suspended by General Cigar in September, 1995. Mr. Cleveland was suspended for breaching company policy. It is believed that he is responsible for almost \$1,000,000 in fraudulent invoices. The

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OFFICE OF GENERAL  
COUNSEL

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Mary L. Taksar, Esq.

- 2 -

January 29, 1996

Company has filed suit against him and a trucking business in Alabama and a federal grand jury is investigating the matter.

An extensive internal investigation by General Cigar and its parent, Culbro Corporation, has identified three instances of campaign contributions which were inappropriate in that certain of them were reimbursed by the Company. The first involved \$5,000 contributed to the Newt Gingrich campaign in 1994. The second concerned a \$1,000 contribution to Congressman Sam Gibbons' campaign Committee in 1995. The third and final instance involved \$5,000 contributed Senator Dole's campaign for the Presidency in 1995. Each of the campaign organizations has been asked to return the contributions. All have been returned, with the exception of those to the Gingrich campaign, which are expected momentarily. To the extent that the contributors were reimbursed by General Cigar, the Company has been paid back.

Mr. Cleveland's complaint suggests that it was he and his civil complaint that precipitated the Company's investigation into the campaign contributions. That is incorrect. In fact, Mr. Loftus expressed discomfort with the requests for reimbursement to Mr. McNamara long before that. Messrs. McNamara and Loftus and Ms. Sambrook fully cooperated with every aspect of the General Cigar/Culbro investigation.

The investigation disclosed that the contributions may have been made in a way that could constitute technical violations of the Federal Elections Campaign Act. None were made with the knowledge that the Act was being violated and certainly none were made with an intent to break the law. The manner in which they were made and the Company's documentation relating to them supports the view that an illicit purpose was never intended.

The respondents, with the Company's concurrence, wish to enter into a pre-probable cause conciliation agreement with the Federal Elections Commission.

Very truly yours,



Ethan Levin-Epstein

ELE/dmc

97043775473

SKADDEN, ARPS, SLATE, MEAGHER & FLOM

1440 NEW YORK AVENUE, N.W.  
WASHINGTON, D.C. 20005-2111

(202) 371-7000

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COMMISSION  
PUBLIC DISCLOSURE  
DIVISION

Jan 31 5 23 PM '96

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NEW YORK  
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BUDAPEST  
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HONG KONG  
LONDON  
MOSCOW  
PARIS  
PRAGUE  
SYDNEY  
TOKYO  
TORONTO

FAX (202) 393-5760

DIRECTOR  
(202) 371-7000

January 31, 1996

VIA HAND DELIVERY

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

Attn: Alva Smith

Re: MUR 4286 - General Cigar Co., Inc.

Dear Ms. Taksar:

By letter dated December 12, 1995, the Federal Election Commission ("Commission" or "FEC") notified General Cigar Co., Inc. ("General Cigar") of a complaint filed by Paul Cleveland. Mr. Cleveland's complaint claims that General Cigar reimbursed Mr. Cleveland and three other officers, Austin McNamara, Brent Currier, and John Geoghegan, for contributions made to Dole for President knowing that it was illegal and that General Cigar intentionally attempted to hide those reimbursements. This is General Cigar's response.

This is a case of a disgruntled employee who was suspended for improper and possibly illegal conduct. Mr. Cleveland was suspended from his position at General Cigar on September 1, 1995. Indeed, he is the defendant in a complaint filed in the Middle District of Alabama by General Cigar and its parent, Culbro Corporation ("Culbro"), alleging fraud, embezzlement, and violation of the Racketeer Influence Corrupt Organizations Statute. Please note that Mr. Cleveland was suspended and the General Cigar lawsuit filed well before any complaint was made by Mr. Cleveland to the Commission.

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OFFICE OF GENERAL  
COUNSEL

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General Cigar and Culbro conducted a full investigation of the facts and circumstances surrounding these contributions. That investigation revealed that in total, contributions of \$11,000 by individual employees to three campaigns had been reimbursed. They are as follows:

1. a \$1,000 contribution made by Frank Fina to the Dole campaign in 1995;
2. a \$1,000 contribution made by Paul Cleveland to the Dole campaign in 1995;
3. a \$1,000 contribution to Gingrich's campaign in 1994 and a \$1,000 contribution to the Dole Campaign in 1995 made by John Rano;
4. a \$1,000 contribution to the Gibbons campaign in 1995, a \$1,000 contribution to Gingrich's campaign in 1994, and a \$1,000 contribution to the Dole campaign in 1995 made by Austin McNamara;
5. a \$1,000 contribution to Gingrich's campaign in 1994 and a \$1,000 contribution to the Dole campaign in 1995 made by Brent Currier;
6. a \$1,000 contribution to Gingrich's campaign in 1994 made by David Burgh; and
7. a \$1,000 contribution to Gingrich's campaign in 1994 made by Mike Condor.

The investigation also revealed that these reimbursements were authorized by General Cigar's President, Austin McNamara, including reimbursements to himself. Culbro requested refunds from all three campaigns. The Dole and Gibbons Committees have refunded the contributions and a refund is anticipated shortly from the Gingrich campaign. In fact, refunds had been received

97043775475

Mary Taksar, Esq.  
January 31, 1996  
Page 3

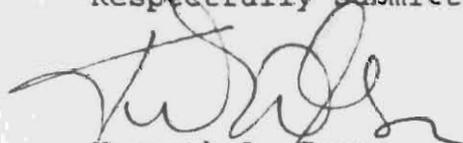
from the Dole campaign before Mr. Cleveland filed his complaint.

Note that Culbro and General Cigar have corporate policies prohibiting the reimbursement of political contributions. Moreover, the scope of Culbro's internal investigation and the resulting corrective actions have been broader than the allegations contained in Mr. Cleveland's complaint. The Chairman of Culbro has admonished Mr. McNamara for his violation of company policy.

Therefore, although it appears that certain contributions may have been reimbursed in violation of the Federal Election Campaign Act of 1971, as amended, ("FECA"), none were made with the knowledge that the FECA was being violated or with the intent to violate such law. Indeed, the manner in which they were made and General Cigar's documentation relating to them make it apparent that there was never an illicit purpose or intent. Culbro and General Cigar will redouble their efforts to insure that their policies on contributions are understood and followed.

Therefore, in light of these mitigating circumstances, General Cigar requests the opportunity to enter into a pre-probable cause conciliation agreement with the Commission.

Respectfully submitted,



Kenneth A. Gross

97043775476



RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

FEB 2 3 20 PM '96

January 31, 1996

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

Re: MUR 4286

FEB 5 10 46 AM '96

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COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Dear Mr. Noble:

This letter responds to your January 24, 1995, letter in the above referenced MUR regarding a complaint against General Cigar Co., Inc.

On August 1, 1995, DFP deposited five personal checks, each in the amount of one thousand dollars, into its designated campaign checking account. These checks were drawn on the accounts of Paul T. Cleveland and Angela J. Cleveland, Austin T. McNamara and Lucy B. McNamara, Margaret M. Fina and Frank G. Fina, Suzanne L. Currier and William B. Currier, and John M. Rano. According to DFP records, none of these contributions was in violation of individual contribution limits. Between October 10 and 13, 1995, DFP obtained authorizations to divide the one thousand dollar joint contributions from Austin and Lucy McNamara, Margaret and Frank Fina, and Suzanne and William Currier and to attribute five hundred dollars to each respective spouse.

DFP received notice on November 16, 1995, that each of the contributors named above may have been improperly reimbursed for their contributions to DFP. Accordingly, on November 16, 1995, DFP mailed a refund check in the amount of one thousand dollars to John Rano. On November 17, 1995, DFP also mailed a refund check in the amount of one thousand dollars to Paul and Angela Cleveland, and mailed refund checks in the amount of five hundred dollars each to Austin McNamara, Lucy McNamara, Margaret Fina, Frank Fina, Suzanne Currier, and William Currier.

I have enclosed copies of five contribution checks received by DFP, three authorizations to divide joint contributions and attribute five hundred dollars to each contributor, and eight contribution refund checks drawn on DFP's contribution refunds checking account. Please advise me of any further information you need.

Sincerely,

Allen Haywood  
Comptroller

Enclosures

97043775477



PAUL T. CLEVELAND  
ANGELA J. CLEVELAND

51-60/11 03 MA

0144

7/20 19 95

PAY TO THE  
ORDER OF

Bob Dole for President

\$ 1000.00

One Thousand and  $\frac{00}{100}$  cents

DOLLAR



**BANK OF BOSTON**

CONNECTICUT

FOR

Paul T. Cleveland

97043775473

CONTRIBUTION REFUNDS ACCOUNT

97043775479

01271

Paul Cleveland  
33 Pine Glenn Road  
Simsbury, CT  
06070

INVOICE NO.	DATE	AMOUNT	DISCOUNT	NET AMT.
CONTREF111795	11/17	1000.00	0.00	1000.00
TOTAL =				\$1,000.00

DATE  
11/17/95

CHECK NUMBER  
00001247

DOLE FOR PRESIDENT  
CONTRIBUTION REFUNDS ACCOUNT  
P.O. BOX 77688  
WASHINGTON, DC 20013

DEPOSIT BANK NO  
WASHINGTON, DC 20008

00001247

01247

15-0000

PAY

\*\*\*\* ONE THOUSAND & 00/100 DOLLARS

DATE	AMOUNT
11/17/95	*****\$1,000.00

TO THE  
ORDER  
OF

Paul Cleveland  
33 Pine Glenn Road  
Simsbury, CT 06070

*C. Key*

⑆00001247⑆ ⑆054000807⑆ ⑆667⑆0876392⑆

AUSTIN T. McNAMARA  
LUCY B. McNAMARA

SI-44/118

1836



7/11 19 85

PAY TO THE  
ORDER OF

Bob Dale for President

\$ 1000

one thousand

~~XX~~  
DOLLARS  
000



Shawmut Bank  
Hartford, Connecticut

*Handwritten signature*

MEMO

9704377548C

Contribution Form

AUSTIN T. McNAMARA  
LUCY B. McNAMARA

SE-40710

1836

PAY TO THE  
ORDER OF

Bob Dole for President

\$1000

one thousand

1000 DOLLARS

Shawmut Bank  
Hartford, Connecticut

MEMO

*Amid*

1 Our contribution (displayed above) is drawn on a joint account that contains  
2 our personal funds and the account is not funded for our use on an  
3 unreimbursed basis by an incorporated entity. The contribution should be  
4 attributed in the following manner:

5 Mr. Austin T. Mc Namara

Spouse: LUCY B. McNAMARA

7 Amount Contributed \$500.00

Amount Contributed \$500.00

7 Address

Address

3 Address

Address

4 Address

Address

0 City

City

7 State

State

Zip

Zip

9 Date

Date

Signature

Signature

Employer

Employer

Occupation

Occupation

Mr. Austin T. Mc Namara

9508010035 27

D2

RECEIVED  
OCT 13 1995

10738350 10799385

CONTRIBUTION REFUNDS ACCOUNT

9 7 0 4 3 7 7 5 4 8 2

01200

Austin McNamara

INVOICE NO.	DATE	AMOUNT	DISCOUNT	NET AMT.
-------------	------	--------	----------	----------

CONTREF111795	11/17	500.00	0.00	500.00
---------------	-------	--------	------	--------

TOTAL = \$500.00

DATE

11/17/95

CHECK NUMBER

00001238

DOLE FOR PRESIDENT  
CONTRIBUTION REFUNDS ACCOUNT  
P.O. BOX 77668  
WASHINGTON, DC 20013

SECRET BANK NA  
WASHINGTON, DC 20000

00001238

01238

15-00/24  
MAG

PAY

\*\*\*\* FIVE HUNDRED & 00/100 DOLLARS

DATE

AMOUNT

11/17/95 \*\*\*\*\*\$500.00

TO THE  
ORDER  
OF

Austin McNamara

NON-NEGOTIABLE

*Citoy*

⑆00001238⑆ ⑆054000807⑆ ⑆667⑆0476392⑆

CONTRIBUTION REFUNDS ACCOUNT

9 / 0 4 3 7 7 5 4 8 3

01239

Lucy McNamara

~~123456789~~

~~987654321~~

~~123456789~~

INVOICE NO.	DATE	AMOUNT	DISCOUNT	NET AMT.
CONTREF111795	11/17	500.00	0.00	500.00

TOTAL = \$500.00

DATE

11/17/95

CHECK NUMBER

00001239

DOLE FOR PRESIDENT  
CONTRIBUTION REFUNDS ACCOUNT  
P.O. BOX 77668  
WASHINGTON, DC 20013

SECRET SERVICE  
WASHINGTON, DC 20505

00001239

01239

PAY

\*\*\*\* FIVE HUNDRED & 00/100 DOLLARS

DATE AMOUNT  
11/17/95 \*\*\*\*\*\$500.00

TO THE  
ORDER  
OF

Lucy McNamara

~~123456789~~

*Clay*

NON-NEGOTIABLE

⑈00001239⑈ ⑆054000807⑆ ⑆667-0176392⑆

MARGARET M. FINA  
FRANK G. FINA

1367

C60-4696  
313

July 17 19 95

PAY TO THE  
ORDER OF

Bob Dole for President

\$ 1,000.00

One thousand

00  
DOLLAR

 **Meridian  
Bank**

Margaret M. Fina

MEMO

97043175484

Contribution Form

MARGARET M. FINA  
FRANK G. FINA

1367

*July 17, 95*

PAY TO THE ORDER OF *Bob Dole for President* \$ *1,000.00*

*One thousand* <sup>00</sup>/<sub>100</sub> DOLLARS

Meridian Bank

*Margaret M. Fina*

Our contribution (displayed above) is drawn on a joint account that contains our personal funds and the account is not funded for our use on an unreimbursed basis by an incorporated entity. The contribution should be attributed in the following manner:

5  
8  
4  
5  
7  
3  
4  
0  
9

Ms. Margaret M. Fina

Amount Contributed \$500.00

Address [Redacted]

Address \_\_\_\_\_

Address \_\_\_\_\_

City [Redacted]

State [Redacted] Zip [Redacted]

Date *7/17/95*

Signature *M. M. Fina*

Employer \_\_\_\_\_

Occupation \_\_\_\_\_

Spouse: *Frank G. Fina*

Amount Contributed \$500.00

Address [Redacted]

Address \_\_\_\_\_

Address \_\_\_\_\_

City [Redacted]

State [Redacted] Zip [Redacted]

Date *7/17/95*

Signature *Frank G. Fina*

Employer \_\_\_\_\_

Occupation \_\_\_\_\_

OCT 1 1995

Ms. Margaret M. Fina

9508010035 29

Margaret Fina

INVOICE NO.

DATE

AMOUNT

DISCOUNT

NET AMT.

CONTREF111795

11/17

500.00

0.00

500.00

TOTAL =

\$500.00

DATE

11/17/95

CHECK NUMBER

00001236

CHEQUE BANK NO  
WASHINGTON, DC 20000

00001236

01236

DOLE FOR PRESIDENT  
CONTRIBUTION REFUNDS ACCOUNT  
P.O. BOX 77666  
WASHINGTON, DC 20013

PAY

\*\*\*\* FIVE HUNDRED & 00/100 DOLLARS

DATE

AMOUNT

11/17/95 \*\*\*\*\*\$500.00

TO THE  
ORDER  
OF

Margaret Fina

NON-NEGOTIABLE

*Clay*

⑆00001236⑆ ⑆056000807⑆ ⑆667⑆0176392⑆

U L L U U

9 7 0 4 3 7 7 5 4 8 7

CONTRIBUTION REFUNDS ACCOUNT

Frank Fina

INVOICE NO.	DATE	AMOUNT	DISCOUNT	NET AMT.
-------------	------	--------	----------	----------

CONTRF111795	11/17	500.00	0.00	500.00
TOTAL =				\$500.00

DATE

11/17/95

CHECK NUMBER

00001235

01235

DEPOSIT MADE IN WASHINGTON, DC AREA

00001235

DOLE FOR PRESIDENT  
 CONTRIBUTION REFUNDS ACCOUNT  
 P.O. BOX 77608  
 WASHINGTON, DC 20078

\*\*\*\* FIVE HUNDRED & 00/100 DOLLARS

DATE	AMOUNT
11/17/95	*****\$500.00

PAY

TO THE ORDER OF

Frank Fina

*C. May*

NON-NEGOTIABLE

SUZANNE L. CURRIER  
WILLIAM B. CURRIER

July 25 19 95 51-44/119 b1

Pay TO THE ORDER OF BOB DOWIE FOR PRESIDENT \$ 1000.00

ONE THOUSAND DOLLARS } 1000 DOLLARS

SHAWMUT BANK  
HARTFORD, CONNECTICUT

FOR POLITICAL CONTR.



97043775488

Contribution Form

1520

SUZANNE L. CURRIER  
WILLIAM B. CURRIER

July 25 1995 31-407118 01

PAY TO THE ORDER OF B&B Dole For PERS: 0001 \$ 1000.00

~~ONE THOUSAND DOLLARS~~ 1000 DOLLARS

SHAWMUT BANK  
HARTFORD, CONNECTICUT

For Personal funds *[Signature]*

Our contribution (displayed above) is drawn on a joint account that contains our personal funds and the account is not funded for our use on an unreimbursed basis by an incorporated entity. The contribution should be attributed in the following manner:

8	Mr. William B. Currier	Spouse: <u>Suzanne L. Currier</u>
4	Amount Contributed \$500.00	Amount Contributed \$500.00
5	Address <u>[Redacted]</u>	Address <u>[Redacted]</u>
7	Address <u>[Redacted]</u>	Address <u>[Redacted]</u>
7	Address <u>[Redacted]</u>	Address <u>[Redacted]</u>
3	Address <u>[Redacted]</u>	Address <u>[Redacted]</u>
4	City <u>[Redacted]</u>	City <u>[Redacted]</u>
0	State <u>[Redacted]</u> Zip <u>[Redacted]</u>	State <u>[Redacted]</u> Zip <u>[Redacted]</u>
7	Date <u>8-28-95</u>	Date <u>8-28-95</u>
9	Signature <i>[Signature]</i>	Signature <i>Suzanne Currier</i>
	Employer <u>Green Care</u>	Employer <u>None</u>
	Occupation <u>VP SALES</u>	Occupation <u>[Redacted]</u>

Mr. William B. Currier

OCT 10 1995  
9508010035 31

CONTRIBUTION REFUNDS ACCOUNT

9 7 0 4 3 7 7 5 4 9 C

01233

Suzanne Currier

INVOICE NO.	DATE	AMOUNT	DISCOUNT	NET AMT.
CONTREF111795	11/17	500.00	0.00	500.00

TOTAL = \$500.00

DATE

11/17/95

CHECK NUMBER

00001233

DOLE FOR PRESIDENT  
CONTRIBUTION REFUNDS ACCOUNT  
P.O. BOX 77668  
WASHINGTON, DC 20018

CHECK BANK ON  
WASHINGTON, DC 20000

00001233

01233

PAY

\*\*\*\* FIVE HUNDRED & 00/100 DOLLARS

DATE

AMOUNT

11/17/95 \*\*\*\*\*\$500.00

TO THE  
ORDER  
OF

Suzanne Currier

*[Handwritten Signature]*

DOLE FOR PRESIDENT  
CONTRIBUTION REFUNDS ACCOUNT

9 7 0 4 3 7 7 5 4 9 1

01232

William Currier  
[REDACTED]  
[REDACTED]

INVOICE NO.	DATE	AMOUNT	DISCOUNT	NET AMT.
CONTREF111795	11/17	500.00	0.00	500.00
TOTAL =				500.00

DATE

11/17/95

CHECK NUMBER

00001232

DOLE FOR PRESIDENT  
CONTRIBUTION REFUNDS ACCOUNT  
P.O. BOX 77688  
WASHINGTON, DC 20013

SECRET SERVICE  
WASHINGTON, DC 20505

00001232

01232

15-00/140  
2042

PAY

\*\*\*\* FIVE HUNDRED & 00/100 DOLLARS

DATE

AMOUNT

11/17/95 \*\*\*\*\*\$500.00

TO THE  
ORDER  
OF

William Currier  
[REDACTED]  
[REDACTED]

NON-NEGOTIABLE

*Currier*

⑆00001232⑆ ⑆051.000807⑆ ⑆667⑆0176392⑆

JOHN W. RAND

57-523

227

7/26 19 95

PAY TO THE ORDER OF

Bob Dale for President

\$ 1,000.00

One Thousand

00 DOLLAR

  
Fleet Bank  
Boston, MA 02108  
Boston, MA 02108

MEMO

John W. Rand

97043775492

SECRET  
CONTRIBUTION REFUNDS ACCOUNT

John M. Rano

INVOICE NO.

CONTREF111695

DATE

11/16

AMOUNT

1000.00

DISCOUNT

0.00

NET AMT.

1000.00

DATE

11/16/95

CHECK NUMBER

00001226

TOTAL=

\$1,000.00

01226

SECRET BANK NA  
WASHINGTON, DC 20005

00001226

DOLE FOR PRESIDENT  
CONTRIBUTION REFUNDS ACCOUNT

P.O. BOX 77658  
WASHINGTON, DC 20013

15-80/SAG  
3042

PAY

\*\*\*\* ONE THOUSAND & 00/100 DOLLARS

DATE

11/16/95

AMOUNT

\*\*\*\*\*\$1,000.00

9 7 0 4 3 7 7  
TO THE  
ORDER  
OF

John M. Rano

*C. Rano*

WILEY, REIN & FIELDING

1778 K STREET, N. W.  
WASHINGTON, D. C. 20008  
(202) 429-7000

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

FEB 7 3 15 PM '96

JAN WITOLD BARAN  
(202) 429-7330

February 6, 1996

FACSIMILE  
(202) 429-7040

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

ATTN: Mary L. Taksar, Esq.

Re: MUR 4286

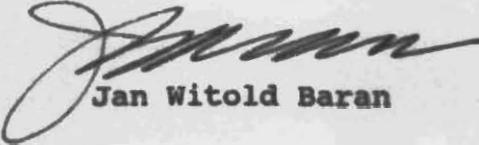
Dear Mr. Noble:

This office has been retained to represent Friends of Newt Gingrich ("FONG") before the Federal Election Commission ("FEC") in regards to FEC MUR 4286. Enclosed please find a copy of FONG's Statement of Designation of Counsel for submission.

On December 4, 1995, the FEC received a complaint alleging that FONG violated federal election laws. Due to administrative oversight, that complaint was not transmitted to FONG until January 24, 1996. FONG received this complaint accompanying MUR 4286 on January 27, 1996. FONG's response is therefore due on February 12, 1996.

FONG is presently in the process of ascertaining facts relevant to MUR 4286. All relevant information will not be determined prior to the February 12, 1996 response deadline, however, so this office hereby requests a 20-day extension of time in which to respond to MUR 4286. Your favorable reply would be appreciated.

Sincerely,



Jan Witold Baran

Encl.

97043775494

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4286

NAME OF COUNSEL: Jan Witold Baran

FIRM: Wiley, Rein & Fielding

ADDRESS: 1776 K Street, N.W.

Washington, D.C. 20006

TELEPHONE: (202) 429-7330

FAX: (202) 429-7207

FEB 7 3 15 PM '96

RECEIVED  
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.

2/1/96  
Date

[Signature]  
Signature

RESPONDENT'S NAME: Briggs A. Goggans, Treasurer  
Friends of Newt Gingrich

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

TELEPHONE: HOME( ) \_\_\_\_\_

BUSINESS( ) \_\_\_\_\_

97043775495



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

February 8, 1996

Jan Witold Baran, Esquire  
WILEY, REIN & FIELDING  
1776 K Street, N.W.  
Washington, D.C. 20006

RE: MUR 4286  
Friends of Newt Gingrich  
Briggs A. Goggans, Treasurer

Dear Mr. Baran:

This is in response to your letter dated February 6, 1996, requesting a 20-day extension 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 March 4, 1996.

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

Sincerely,

  
Alva E. Smith, Paralegal  
Central Enforcement Docket

*Celebrating the Commission's 20th Anniversary*

YESTERDAY, TODAY AND TOMORROW  
DEDICATED TO KEEPING THE PUBLIC INFORMED

97043775496

SKADDEN, ARPS, SLATE, MEAGHER & FLOM

1440 NEW YORK AVENUE, N.W.  
WASHINGTON, D.C. 20005-2111

FAX (202) 393-5760

(202) 371-7000

DIRECT DIAL  
(202) 371-

7007

BOSTON  
CHICAGO  
HOUSTON  
LOS ANGELES  
NEWARK  
NEW YORK  
SAN FRANCISCO  
WILMINGTON  
—  
BEIJING  
BRUSSELS  
BUDAPEST  
FRANKFURT  
HONG KONG  
LONDON  
MOSCOW  
PARIS  
PRAGUE  
SYDNEY  
TOKYO  
TORONTO

February 16, 1996

VIA HAND DELIVERY.

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

Re: MUR 4286 - General Cigar Co., Inc.

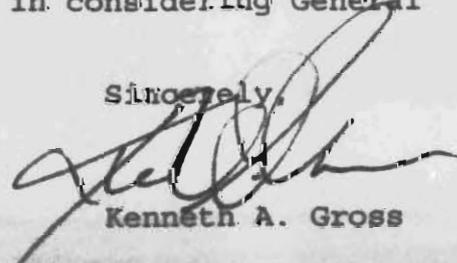
Dear Ms. Taksar:

On January 31, 1996, I filed on behalf of General Cigar Co., Inc. ("General Cigar") a response to the above referenced MUR. I pointed out in that response that the complaint was filed with the Commission by a disgruntled employee, Paul Cleveland, who was suspected of criminal activity directed against General Cigar. In connection with a civil proceeding by General Cigar against that employee in Alabama, the Chief of the Criminal Division of the United States Attorney's Office has recently executed the attached affidavit. That affidavit states that he expects the federal grand jury to which he is presenting evidence to return an indictment against Mr. Cleveland for criminal conduct involving fraud against General Cigar. This information is relevant to the Commission's consideration of General Cigar's request to enter into a conciliation agreement.

Also, we received confirmation today that the Gingrich campaign has sent out its refunds of the contributions in question in this MUR. We will send you copies of the refund checks when we receive them.

Please let me know if there is any information which would be helpful to you in considering General Cigar's request.

Sincerely,



Kenneth A. Gross

Attachment

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Feb 16 2 10 PM '96

97043775497

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF ALABAMA  
.....X  
GENERAL CIGAR CO., INC.,

Plaintiff,

-against-

CR CARRIERS, INC., THOMAS B. ROSS,  
C. MICHAEL CODY and PAUL CLEVELAND,

Defendants.  
.....X

**AFFIRMATION**

CV-98-A-1169-S

CHARLES R. NIVEN, an attorney duly admitted to practice in the courts of the State of Alabama and this Court, hereby affirms, subject to the penalties of perjury, that the following statements are true, except as to those made upon information and belief, and as to those I believe them to be true:

1. I am Chief of the Criminal Division of the United States Attorney's Office for the Middle District of Alabama.

2. I submit this affirmation in support of the motion of plaintiff General Cigar Co., Inc. ("General Cigar") for a stay of proceedings in the case of Paul T. Cleveland v. General Cigar Co., Inc. et al., docket no. CV-98-885091 pending in the Superior Court, Judicial District of Hartford/New Britain in Hartford, Connecticut and in support of the motion of defendant CR Carriers, Inc., Thomas B. Ross and C. Michael Cody for a stay of proceedings in this action. This affirmation is also submitted for the purpose of seeking this Court's permission for the government to intervene in this action for the limited and sole purpose of seeking the aforementioned stay.

97043775498

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3. A grand jury in this district is investigating possible violations of federal criminal law incident to fraud against General Cigar in the amount of approximately \$889,000 as alleged in the amended complaint filed in this action. Both the subject matter of the Connecticut action and the civil RICO action pending before this Court concern matters which the grand jury has under investigation in this district, i.e., fraud against General Cigar. Throughout the government's investigation, General Cigar has been exemplary in its active assistance in and valuable support of the investigation and a related investigation of marijuana smuggling. The grand jury has already returned an indictment charging two former General Cigar employees with marijuana possession and distribution offenses. This indictment is pending in this court under the case of United States v. Cassey et al., CR NO. 95-240-S.

4. I have been informed that defendant Paul T. Cleveland has commenced an action in state court in the State of Connecticut entitled Paul T. Cleveland v. General Cigar Co., Inc. et al., docket no. CV-95-885091. I have reviewed the complaint in that action and defendant Cleveland's request for document discovery in the Connecticut action.

5. I understand that defendant Cleveland has linked the Connecticut action with this civil RICO action, in part, by attaching the civil RICO complaint to the complaint in the Connecticut action. I also understand that in his complaint in the Connecticut action, defendant Cleveland claims that the allegations of "criminal activity in a scheme to defraud Defendant General

Cigar" in this civil RICO action are false. In addition I understand that, in the Connecticut action, defendant Cleveland seeks discovery of documents relevant to the ongoing grand jury investigation of fraud directed against General Cigar. Furthermore, I understand that defendant Cleveland seeks discovery in his Connecticut action of correspondence and communications between the United States Attorney's Office, the United States Customs Service and representatives of General Cigar.

6. As a result, the extensive and liberal discovery available in both this action and the Connecticut action would interfere with the proper functioning of the grand jury including the secrecy of its proceedings and the confidentiality of criminal investigations, and would also interfere with the anticipated criminal indictment of defendants in this action.

7. I have been informed that a scheduling conference in this action was conducted by telephone on January 23, 1996. I have been further informed that, during this telephone conference, David Somers, defendant Cleveland's attorney, represented to this Court that he had been told either that defendant Cleveland was not a target of the grand jury's investigation, or that Mr. Somers had not been told that Mr. Cleveland was such a target.

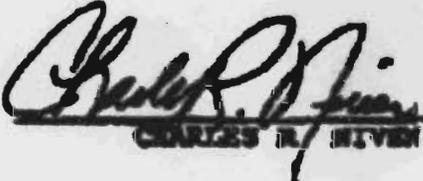
8. Upon consideration of the law and the evidence, I reasonably expect the grand jury to return an indictment against defendants named in this civil RICO action, including defendant Paul Cleveland, for criminal conduct arising from fraud against General Cigar as alleged in the amended complaint filed in this

9704377550C

civil RICO action. The grand jury should take action within the next sixty to ninety days.

WHEREFORE, the government requests that the motion of plaintiff General Cigar Co., Inc. to stay the case of Paul L. Cleveland v. General Cigar Co., Inc. et al., docket no. CV-98-555091 and the motion of defendant CR Carriers, Inc., Thomas B. Ross and C. Michael Cody to stay this action, be granted in all respects, together with such other relief as this Court may deem just and proper.

Dated: New York, New York  
February 6, 1998

  
CHARLES R. HIVEN

97043775501

WILEY, REIN & FIELDING

1770 K STREET, N.W.  
WASHINGTON, D. C. 20006  
(202) 429-7000

JAN WITOLD BARAN  
(202) 429-7330

February 23, 1996

FACSIMILE  
(202) 429-7049

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

Re: MUR 4286

Dear Ms. Taksar:

This office represents Friends of Newt Gingrich ("the Committee") and its Treasurer, Brian Goggans, in this matter.

Upon being notified that General Cigar Co. may have reimbursed certain campaign contributions, the Committee reviewed its records and confirmed that five General Cigar employees each contributed \$1,000 to Congressman Gingrich's 1994 reelection campaign. At the request of counsel for General Cigar, the Committee on February 14, 1996, refunded all five of those contributions. Copies of General Cigar's request for refunds, the refund checks, and letters accompanying the refunds are enclosed with this letter. Thus, regardless of whether General Cigar may have reimbursed those contributions, the Committee is not currently in possession of any corporate contributions.

Further, until notification of your investigation and notice from counsel for General Cigar, the Committee did not know, and had no reason to suspect, that the contributions may have been reimbursed. In fact, the Committee denies any prior knowledge that these contributions may have been reimbursed. The Committee receives a large number of contributions and, absent some indication of a problem, must rely upon the honesty of contributors as to the ultimate source of funds. Because all five of these contributions were on personal checks, the Committee naturally assumed that they were personal contributions. Indeed, in its brief treatment of the contributions to the Committee, the complaint against General Cigar makes no allegations even suggesting that the Committee could have known of possible reimbursements.

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COMMISSION  
OFFICE OF GENERAL  
COUNSEL

FEB 27 2 58 PM '96

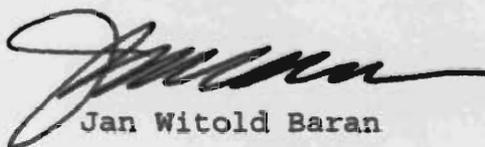
97043775502

Mary L. Taksar, Esq.  
February 23, 1996  
Page 2

My clients have acted promptly to investigate this matter and to ensure that they are in full compliance with law. Because they had no reason to know of possible corporate reimbursements at the time the five contributions were received, the FEC should find no reason to believe that my clients violated the Act.

Should you have any further questions, please do not hesitate to call me at the above number.

Sincerely,



Jan Witold Baran

Enclosures

97043775503

*Friends Of*  
**NEWT GINGRICH**

February 14, 1996

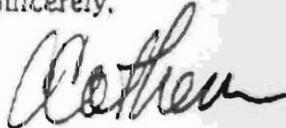
Mr. William Currier  
[REDACTED]

Dear Mr. Currier:

Counsel for General Cigar Co. has requested on your behalf a refund of the \$1000 contribution you made to Friends of Newt Gingrich in 1994. Accordingly, enclosed is a \$1000 check which will serve as a full refund.

If you have any questions on this matter please do not hesitate to phone me at (770) 587-2330.

Sincerely,



Christy Cothorn  
Finance Manager

enclosure

P.O. Box 1399, Roswell, Georgia 30077  
770/587-2330 Fax: 770/587-2339

E-mail: [fong@mindspring.com](mailto:fong@mindspring.com) Web site: <http://www.newt.org>

97043775504

97043775505

FEB-16-96 FRI 13:13

FONC

**FRIENDS OF NEWT GINGRICH**

P O BOX 1388 770-687-2330  
ROSWELL, GA 30077

3647

64-476011

2/15 1996

PAY TO THE ORDER OF

*William Currie*

\$ 1000.00

*One thousand and no/100*

DOLLARS  Drawn by check  
Pay to the order of

TWO SIGNATURES REQUIRED



**Milton**  
National Bank  
ROSWELL, GEORGIA

*William Currie*  
*DP*

FOR

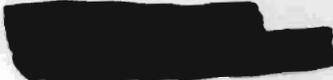
⑆003647⑆ ⑆061104741⑆ 01 02 72 9⑆

FAX NO. 7705872339

P. 03/11

*Friends Of*  
**NEWT GINGRICH**

February 14, 1996

Mr. William Conder  


Dear Mr. Conder:

Counsel for General Cigar Co. has requested on your behalf a refund of the \$1000 contribution you made to Friends of Newt Gingrich in 1994. Accordingly, enclosed is a \$1000 check which will serve as a full refund.

If you have any questions on this matter please do not hesitate to phone me at (770) 587-2330.

Sincerely,



Christy Cothorn  
Finance Manager

enclosure

P.O. Box 1399, Roswell, Georgia 30077  
770/587-2330 Fax: 770/587-2339

E-mail: [fong@mindspring.com](mailto:fong@mindspring.com) Web site <http://www.newt.org>

*Paid for by Friends of Newt Gingrich, not at taxpayer's expense. Corporate contributions are prohibited by law. Contributions are not tax deductible.*

97043775506

97043775507

FRIENDS OF NEWT GINGRICH  
P O BOX 1388 770-667-3338  
ROSWELL, GA 30077

3648

04470001

2/15 1996

PAY  
TO THE  
ORDER OF

William Conder

\$ 1000.00

One thousand and no/100

DOLLARS  Money for the name  
of the bank is not

TWO SIGNATURES REQUIRED



*Conder*  
*DEB*

FOR

⑆003648⑆ ⑆061104741⑆ 01 02 72 30

FEB-16-96 FRI 13:13

FONG

FAX NO. 7705872339

P. 05/11

*Friends Of*  
**NEWT GINGRICH**

February 14, 1996

Mr. Austin McNamara  
[REDACTED]

Dear Mr. McNamara:

Counsel for General Cigar Co. has requested on your behalf a refund of the \$1000 contribution you made to Friends of Newt Gingrich in 1994. Accordingly, enclosed is a \$1000 check which will serve as a full refund.

If you have any questions on this matter please do not hesitate to phone me at (770) 587-2330.

Sincerely,



Christy Cothorn  
Finance Manager

enclosure

P.O. Box 1399, Roswell, Georgia 30077

770/587-2330 Fax: 770/587-2339

E-mail: [fong@mindspring.com](mailto:fong@mindspring.com) Web site <http://www.newt.org>

Paid for the Friends of Newt Gingrich, and at taxpayer's expense. Form 1099-NEC

97043775508

FRIENDS OF NEWT GINGRICH  
P O BOX 1389 770-587-2330  
ROSWELL, GA 30077

84-0709311

3649

PAY TO THE ORDER OF

Austin Mc Namara  
One thousand and no/100

2/15 1996  
\$ 1000.00

TWO SIGNATURES REQUIRED

DOLLARS



FOR

⑆003649⑆ ⑆061104743⑆ 01 02 72 3⑆

*Per*

97043775509

*Friends Of*  
**NEWT GINGRICH**

February 14, 1996

Mr. John M. Rano  


Dear Mr. Rano:

Counsel for General Cigar Co. has requested on your behalf a refund of the \$1000 contribution you made to Friends of Newt Gingrich in 1994. Accordingly, enclosed is a \$1000 check which will serve as a full refund.

If you have any questions on this matter please do not hesitate to phone me at (770) 587-2330.

Sincerely,



Christy Cothorn  
Finance Manager

enclosure

P.O. Box 1399, Roswell, Georgia 30077  
770/587-2330 Fax: 770/587-2339

E-mail: [fong@mindspring.com](mailto:fong@mindspring.com) Web site <http://www.newt.org>

*Paid for by Friends of Newt Gingrich, not at taxpayer's expense. Corporate contributions are prohibited by law. Contributions are not tax deductible.*

9704377551C

FRIENDS OF NEWT GARDNER  
P O BOX 1580 779-927-2208  
ROSWELL, GA 30077

3650

64-074811

PAY TO THE ORDER OF

John Ford  
One thousand and no/100

2/15 1992  
\$ 1000.00

TWO SIGNATURES REQUIRED

DOLLARS



Milton National Bank  
ROSWELL, GEORGIA

*Proffers*

FOR

#003650# @061104744# 01 02 P 3P

97043775511

*Friends Of*  
**NEWT GINGRICH**

February 14, 1996

Mr. David Burgh  
[REDACTED]

Dear Mr. Burgh:

Counsel for General Cigar Co. has requested on your behalf a refund of the \$1000 contribution you made to Friends of Newt Gingrich in 1994. Accordingly, enclosed is a \$1000 check which will serve as a full refund.

If you have any questions on this matter please do not hesitate to phone me at (770) 587-2330.

Sincerely,



Christy Cothem  
Finance Manager

enclosure

P.O. Box 1399, Roswell, Georgia 30077

770/587-2330 Fax: 770/587-2339

E-mail: [fong@mindspring.com](mailto:fong@mindspring.com)

Web site <http://www.newt.org>

*Paid for by Friends of Newt Gingrich, 1996*

97043775512

**FRIENDS OF NEWT GINGRICH**

P O BOX 1389 770-887-7310  
ROSWELL, GA 30077

3651

PAY TO THE ORDER OF

*David Burgh*  
*One thousand and no/100*

*2/15* 19 *96*

\$ 1000.00



**Milton**  
National Bank

*Deborah*  
*De*

TWO SIGNATURES REQUIRED  
DOLLARS

⑆003651⑆ ⑆061104743⑆ 01 02 ⑆2 3⑆

FOR

9 7 0 4 3 7 7 5 5 1 3

SKADDEN, ARPS, SLATE, MEAGHER & FLOM

1440 NEW YORK AVENUE, N.W.

WASHINGTON, D.C. 20005-2111

(202) 371-7000

FAX (202) 393-5760

DIRECT DIAL  
(202) 371-7007

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GUANGZHOU  
FRANKFURT  
HONG KONG  
LONDON  
MOSCOW  
PARIS  
PRAGUE  
SYDNEY  
TOKYO  
TORONTO

January 25, 1996

**BY FAX**

Mr. Dave Ryan  
Friends of Newt Gingrich  
Atlanta, GA

Re: General Cigar Co.

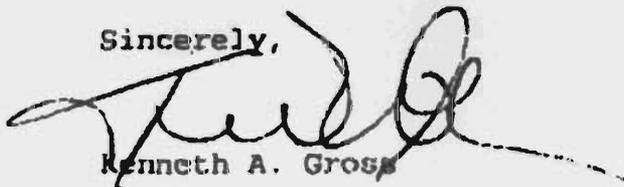
Dear Dave:

Per our conversation, the contributions listed below were made to the Gingrich campaign and were inadvertently reimbursed by General Cigar, a corporate entity. Thus, as counsel for General Cigar, we are seeking refunds of the following contributions.

- |                       |                |         |
|-----------------------|----------------|---------|
| 1. John Rand          | August 1994    | \$1,000 |
| 2. Austin McNamara    | August 1994    | \$1,000 |
| 3. William R. Currier | August 1994    | \$1,000 |
| 4. David Burgh        | August 1994    | \$1,000 |
| 5. Mike Conder        | September 1994 | \$1,000 |

Thank you for your attention to this matter.

Sincerely,

  
Kenneth A. Gross

97043775514

Murphy & Willcutts

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FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Advocates for People™ • Trial Lawyers

APR 22 10 32 AM '96

21 Oak Street • Suite 602  
Hartford, CT 06106-8002  
Fax (860) 524-7766  
(860) 727-1900

April 16, 1996

Mary L. Taksar, Esq.  
Central Enforcement Docket  
Federal Election Commission  
Washington, DC 20463

Re: MUR 4286

Dear Attorney Taksar:

Enclosed please find a designation of attorney for Robert Loftus. This designation is in lieu of any previous attorneys who have been designated for Mr. Loftus. Please direct all future communications regarding this matter to my attention.

Thank you.

Cordially,

*Ron Murphy*  
Ron Murphy (KLH)

cc: Ethan Levin-Epstein

97043775515

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4286

NAME OF COUNSEL: Ron Murphy

FIRM: Murphy & Willcutts

ADDRESS: 21 Oak Street, Suite 602

Hartford, CT 06106

TELEPHONE: (860) 727-1900

FAX: (860) 524-7766

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.

4/16/96  
Date

  
Signature

RESPONDENT'S NAME: Robert Loftus

ADDRESS: 8 Newbury Court

Simsbury, CT 06070

TELEPHONE: HOME (860) 658-6925

BUSINESS (860) 769-3642

9 / 0 4 3 7 7 5 5 1 6

SANTOS & SEELEY, P.C.  
ATTORNEYS AT LAW  
51 RUSS STREET  
HARTFORD, CONNECTICUT 06106-1566

HUBERT J. SANTOS  
HOPE C. SEELEY

TELEPHONE  
(860) 249-6548  
TELECOPIER  
(860) 724-5533

Via Telefax  
1-202-219-3923

June 4, 1996

Mary L. Taksar, Esq.  
Central Enforcement Docket  
Federal Elections Commission  
Washington, D.C. 20463

**Re: *Barbara Sambrook***  
***MUR 4286***

Dear Ms. Taksar:

I am enclosing a Statement Of Designation Of Counsel on behalf of Barbara Sambrook. My designation is in lieu of the designation previously submitted identifying Ethan Levin-Epstein.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

*Hope C. Seeley*  
HOPE C. SEELEY

HCS/etm  
encl.

cc: Ethan Levin-Epstein, Esq.

96 JUN 9 9 51 AM '96  
RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

97043775517

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4286

NAME OF COUNSEL: Hope C. Seeley

FIRM: Santos & Seeley, P.C.

ADDRESS: 51 Russ Street

Hartford, CT 06106

TELEPHONE: (860) 249-6548

FAX: (860) 724-5533

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. This designation is in lieu of my previous designation of Ethan Levin-Epstein as my counsel.

5/8/96  
Date

Barbara Sambrook  
Signature

RESPONDENT'S NAME: Barbara Sambrook

ADDRESS: c/o General Cigar Co., Inc.

320 West Newbury Road

Bloomfield, CT 06002-1398

TELEPHONE: HOME (860) 749-2476

BUSINESS (860) 769-3601

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

JUN 6 9 51 AM '96

9 7 0 4 3 7 7 5 5 1 8

July 23, 1996

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

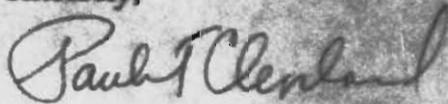
REF: MUR 4286

Dear Mr. Anderson:

Pursuant to our telephone conversation of July 17, 1996, for your information I am enclosing the article which claims that my complaint against General Cigar Co., Inc. as referenced above has been "settled quickly and out of court."

This article appeared in the July/August 1996 edition of Distribution Channels, which is published by the AWMA. The AWMA is a tobacco industry distribution trade group based in Washington D.C. The association is headed by David Strachan and their telephone number is 202-463-2124.

Sincerely,



PAUL T. CLEVELAND

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
AUG 5 10 02 AM '96

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## HEADLINERS

(continued from page 10)

The plan also calls for the industry to spend \$250 million on implementation and enforcement costs. It was not clear what segments within the industry will be responsible for the funding.—RM

### Troubled Times at General Cigar... Plant Nearly Over

A DIFFICULT EPISODE FOR GENERAL Cigar Co. that began last year is nearing an end. At a time when its fortunes were rising as a result of the resurgence in premium cigars, the maker of Macanudos and White Owl was hit with a string of negative incidents centering on its domestic cigar plant in Alabama.

Executives at General Cigar learned in the spring of 1995 that packages of marijuana were being shipped to its Dothan, AL, facility from the company's plant in Kingston, Jamaica. U.S. Customs was immediately noti-

fied by the company and an investigation was conducted by two outside firms. Two non-management employees were indicted and are awaiting trial on the charges.

Equally important, the investigation of the marijuana shipments uncovered nearly \$1 million of fraudulent trucking invoices. This led to the dismissal of Paul Cleveland, General Cigar's senior vice president of operations. Cleveland then alleged that the company dismissed him for threatening to reveal how General Cigar sought and secured a share of the marijuana cigar blunting market and filed a wrongful termination suit against the company and its president, Austin McNamara. (Blunting involves encasing marijuana in with the tobacco of the cigar.) Cleveland also charged that the company has made illegal payments to foreign government officials and violated laws covering election contributions by refunding an executive's individual donation. This last charge was settled quickly and out of court.

Edgar Cullman Jr., president and CEO

of Culbro Corp., General Cigar's corporate parent, said the incidents are the "extreme exception" to the way the company has operated during the past 40 years.

The good news, a source close to the company said, is that General Cigar will soon be cleared of any wrong-doing in connection with the allegations over blunting.—RM

### Healthy Business

(continued from page 10)

Most recently, Philip Morris introduced Player's Navy Cut cigarettes in New York, Seattle and Pittsburgh.

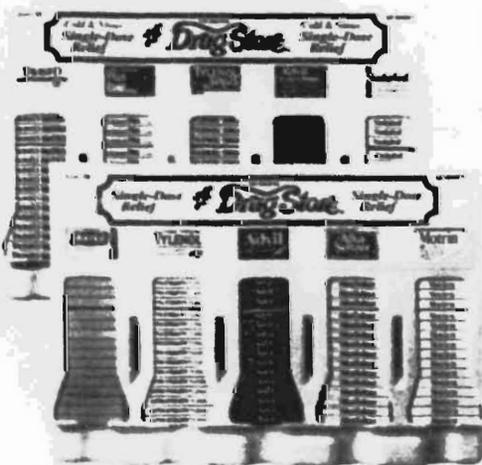
The successful marriage of the Kraft and General Foods lines helped Philip Morris increase income in its North American food business by 7.5 percent last year, according to the annual report.

Hershey Foods Corp. of Hershey, PA, reported record sales in 1995, attributable primarily to growth in the North American

(continued on page 14)

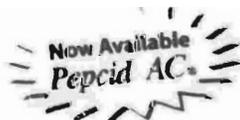
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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

MEMORANDUM

TO: Office of the Commission Secretary  
FROM: Office of General Counsel *WCS*  
DATE: July 17, 1996  
SUBJECT: MUR 4286-First General Counsel's Report

The attached is submitted as an Agenda document for the Commission Meeting of \_\_\_\_\_

Open Session \_\_\_\_\_

Closed Session \_\_\_\_\_

CIRCULATIONS

72 Hour Tally Vote   
Sensitive   
Non-Sensitive

24 Hour Tally Vote   
Sensitive   
Non-Sensitive

24 Hour No Objection   
Sensitive   
Non-Sensitive

Information   
Sensitive   
Non-Sensitive

Other

DISTRIBUTION

Compliance

Audit Matters

Litigation

Closed Letters

MUR

DSP

Status Sheets

Advisory Opinions

Other (See Distribution below)

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

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

JUL 17 11 23 AM '96

**FIRST GENERAL COUNSEL'S REPORT**

**SENSITIVE**

MUR 4286

DATE COMPLAINT FILED: December 6, 1995  
DATE OF NOTIFICATION  
TO RESPONDENTS: December 12, 1995  
and January 24, 1996  
DATE ACTIVATED: April 25, 1996  
STAFF MEMBER: Thomas J. Andersen

**COMPLAINANT:**

Paul T. Cleveland

**RESPONDENTS:**

General Cigar Co., Inc.  
Austin T. McNamara  
Robert Loftus  
Barbara Sambrook  
Friends of Newt Gingrich and  
Briggs Goggans, as treasurer  
Dole for President, Inc. and  
Robert E. Lighthizer, as treasurer  
William B. Currier  
John M. Rano  
David Burgh  
William Conder  
Frank G. Fina

**RELEVANT STATUTES:**

2 U.S.C. § 437g(a)(5)(B)  
2 U.S.C. § 441a(a)(1)(A)  
2 U.S.C. § 441a(f)  
2 U.S.C. § 441b(a)  
2 U.S.C. § 441f  
11 C.F.R. § 103.3(b)  
11 C.F.R. § 110.4(b)

**INTERNAL REPORTS CHECKED:**

FEC Indices  
Disclosure Reports

**FEDERAL AGENCIES CHECKED:**

None

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## **I. GENERATION OF MATTER**

This matter arises from a complaint filed with the Federal Election Commission (the "Commission") by Paul T. Cleveland, formerly Senior Vice-President at General Cigar Co., Inc. ("GCC"). Mr. Cleveland alleges that GCC may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"), by reimbursing several employees for their contributions to Dole for President, Inc. ("Dole Committee") and Friends of Newt Gingrich ("Gingrich Committee"). Austin T. McNamara, President of GCC, Barbara Sambrook, Mr. McNamara's Executive Assistant, and Robert Loftus, Vice-President and Chief Financial Officer of GCC, each allegedly assisted in the reimbursement scheme.

Responses have been received from these respondents.

## **II. FACTUAL AND LEGAL ANALYSIS**

### **A. Applicable Law**

Pursuant to 2 U.S.C. § 441b(a), corporations are prohibited from making contributions or expenditures from their general treasury funds in connection with any election of any candidate for federal office. Section 441b(a) also makes it unlawful for any candidate, political committee, or other person knowingly to accept or receive a contribution prohibited by section 441b(a). In addition, section 441b(a) prohibits any officer or director of any corporation from consenting to any contribution or expenditure by the corporation.

2 U.S.C. § 441a(a)(1)(A) limits contributions by an individual to a federal candidate and the candidate's authorized political committees to \$1,000 per election. Pursuant to 2 U.S.C. § 441a(f), candidates and political committees are prohibited from accepting any contributions in excess of the Act's limitations. 2 U.S.C. § 441f makes it unlawful for any person to make a

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contribution in the name of another, or for any person to knowingly permit his or her name to be used to make such a contribution. The statute also prohibits any person from knowingly accepting a contribution made by one person in the name of another. Such a violation may occur if a person gives funds to a straw donor for the purpose of having the person or entity pass funds on to a federal candidate as his, her or its own donation. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 11 C.F.R.

§ 110.4(b)(1)(iii).

**B. Factual Background**

Complainant alleges that, on or about July 11, 1995, Austin McNamara handed him a slip of paper instructing him to write a personal check for \$1,000 to the Dole Committee.

Complainant later spoke to Robert Loftus, who informed him that Mr. McNamara had previously required employees to contribute to federal election campaigns, citing the reelection campaign of Congressman Newt Gingrich in 1994. Mr. Loftus then allegedly advised Complainant that it would be in his "best interests" to comply with Mr. McNamara's wishes.

Complainant claims that, between July 12 and July 20, 1995, he was "pressured on multiple occasions" by Mr. McNamara and Barbara Sambrook to make the contribution. On July 20, he wrote out a \$1,000 check to the Dole Committee and, at Mr. McNamara's direction, he gave it to Ms. Sambrook. Complainant believes that his check was bundled together with checks from Mr. McNamara and two GCC vice-presidents, John Geoghegan<sup>1</sup> and Brent Currier, and then sent to the Dole Committee. Complainant states that, on August 3, 1995, Mr. Loftus

<sup>1</sup> Since Mr. Geoghegan is not mentioned as a contributor in any of the responses or in Commission indices, this Office assumes that he did not make a contribution to the Dole Committee during the relevant times.

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notified him and the three other alleged contributors through office "e-mail" (Attachment 1) at GCC that they would be reimbursed on August 8, 1995 for their personal contributions to the Dole Committee.

On August 7, 1995, when Complainant voiced his concern to Robert Loftus that the contributions were probably illegal, Mr. Loftus allegedly concurred and replied that he would "bury" the reimbursements of the contributions in an expense account of the corporation that could not be traced. The following day, Complainant received a check from GCC in the amount of \$1,000 as reimbursement for his personal contribution to the Dole Committee. Attachment 2. The check remains uncashed in Complainant's possession.

According to the complaint, the following events have taken place since the reimbursement:

- On August 31, 1995, Complainant was suspended with pay by GCC, changed to suspension without pay on October 1, 1995.
- On September 7, 1995, GCC filed a federal civil fraud and racketeering action against an Alabama trucking company in connection with an alleged marijuana smuggling ring and fraudulent trucking scheme. GCC alleged in that action that Complainant was criminally involved in such activity (GCC's response indicates that Complainant was joined as a defendant sometime after the complaint was received by the Commission).
- On October 25, 1995, Complainant filed a civil lawsuit against GCC, alleging in the First Count that he was discharged in violation of public policy based on his stated intention to disclose, *inter alia*, the illegal campaign contributions.
- On November 15, 1995, Complainant was interviewed by staff from the SEC Enforcement Division regarding allegations in his lawsuit against GCC. Among the items discussed were the contributions to the Dole Committee.
- On November 25, 1995, Complainant received an unsolicited check from the Dole Committee in the amount of \$1,000, referenced as a "contribution refund."

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GCC characterizes the complaint as "a case of a disgruntled employee who was suspended for improper and possibly illegal conduct."<sup>2</sup> GCC contends that it conducted a full investigation of the facts and circumstances alleged in the complaint. Its investigation has revealed that, in total, contributions of \$11,000 by individual employees to three federal candidate committees have been reimbursed by the company as follows:

<u>Contributor</u>	<u>Recipient Committee</u>	<u>Amount</u>	<u>Date of Contribution</u>
Austin T. McNamara	Gingrich Committee	\$1,000	9/27/94
William B. Currier <sup>3</sup>	Gingrich Committee	\$1,000	9/27/94
John M. Rano	Gingrich Committee	\$1,000	9/27/94
David Burgh	Gingrich Committee	\$1,000	9/27/94
William Conder <sup>4</sup>	Gingrich Committee	\$1,000	9/27/94
Austin T. McNamara	Dole Committee	\$1,000	8/01/95
Paul T. Cleveland	Dole Committee	\$1,000	8/01/95
William B. Currier	Dole Committee	\$1,000	8/01/95

<sup>2</sup> GCC later supplemented its response with an affidavit from Charles R. Niven, Chief of the Criminal Division of the United States Attorney's Office for the Middle District of Alabama, in support of GCC's motion to stay the proceedings in Complainant's civil case against GCC. Mr. Niven notes that a grand jury in his district is investigating possible violations of federal criminal law incident to fraud against GCC, and has already returned an indictment charging two former GCC employees with marijuana possession and distribution offenses. According to our Westlaw news search, Complainant was indicted in May 1996 of defrauding GCC.

<sup>3</sup> This individual is actually listed as "Brent Currier" in the complaint and in GCC's response. This Office assumes that "Brent Currier" is the same person listed as "William B. Currier" in the recipient committees' responses and in FEC indices.

<sup>4</sup> This individual is actually listed as "Mike Conder" in GCC's response. This Office assumes this is the same person listed as "William Conder" in the Gingrich Committee's response and in FEC indices.

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John M. Rano	Dole Committee	\$1,000	8/01/95
Frank G. Fina <sup>5</sup>	Dole Committee	\$1,000	8/01/95
Austin T. McNamara	Committee For Sam Gibbons ("Gibbons Committee")	\$1,000	4/21/95

Commission indices confirm that the above contributions were reportedly made by the listed individuals, and that no other contributions were made by GCC employees during the 1993-94 and 1995-96 election cycles.<sup>6</sup> GCC has admitted that all of the reimbursements were authorized by its president, Austin McNamara. GCC's parent, Culbro Corporation ("Culbro"), requested that the recipient committees refund the contributions. Commission indices indicate that the Dole Committee refunded contributions to the listed individuals on November 16 and 17, 1995; the Gibbons Committee refunded \$1,000 to Mr. McNamara on January 17, 1996;<sup>7</sup> and the Gingrich Committee refunded the five contributions listed above on February 15, 1996. GCC's response notes that GCC and Culbro have corporate policies prohibiting the reimbursement of political contributions, and that Mr. McNamara has been admonished for his violation of these

<sup>5</sup> Mr. Fina's contribution was reported by the Dole Committee as being received from "Margaret M. Fina," apparently Mr. Fina's spouse.

<sup>6</sup> Other than the contributions listed here and two contributions from David Burgh to the Gibbons Committee in 1992 and 1993, no other contributions from GCC employees can be found in Commission indices.

<sup>7</sup> Mr. McNamara's \$1,000 contribution to the Gibbons Committee was not mentioned in the Complaint, but rather was first referred to in GCC's response. Since it appears that the Gibbons Committee did not become aware of the actual source of the contribution until it was notified by GCC, and then promptly refunded the full amount, this Office has not named it as a respondent in this matter.

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policies. GCC claims that none of the reimbursements were made with the knowledge that the Act was violated or with the intent to violate the Act.

The response from Austin McNamara, Robert Loftus and Barbara Sambrook<sup>8</sup> states that such contributions "may have been made in a way that could constitute technical violations" of the Act, but were not made "with the knowledge that the Act was being violated" or "with an intent to break the law." The Dole and Gingrich Committees confirm that they received the contributions but deny that they knew the actual source of the funds until notified by GCC, at which time they promptly refunded them to the individual contributors.<sup>9</sup>

C. Analysis

Based on the allegations in the complaint, a review of Commission indices, and GCC's admission that it reimbursed seven employees for contributions to three federal candidate committees totaling \$11,000, it appears that GCC violated 2 U.S.C. §§ 441b(a) and 441f. GCC argues, however, that none of the reimbursements were made with the knowledge that the Act was violated or with the intent to violate the Act. It claims that the manner in which the contributions were made and GCC's documentation relating to them supports the view that there was never an illicit purpose or intent.

<sup>8</sup> Mr. Loftus and Ms. Sambrook each retained separate counsel after submitting this response.

<sup>9</sup> In the case of three contributions, the Dole Committee actually made six refunds of \$500 apiece, which were returned to the contributors and their spouses. This was done because approximately two months after the three contributions were made, the Dole Committee obtained authorizations to divide the \$1,000 contributions and attribute \$500 to the contributors' spouses. For the purposes of the section 441f analysis, this Office will consider the employee spouse as the sole contributor.

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The knowing and willful standard requires knowledge that one is violating the law.

Federal Election Commission v. John A. Dramesi for Congress Committee, 640 F. Supp. 985, 987 (D. N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). In Hopkins, the court found that the defendant officers "knew that corporations could not make political contributions" and that an inference of a knowing and willful violation could be drawn "from the defendants' elaborate scheme for disguising their corporate political contributions" as individual contributions, and that they "deliberately conveyed information they knew to be false to the . . . Commission." Id. at 214-15. The court also found that the evidence did not have to show that a defendant "had specific knowledge of the regulations" or "conclusively demonstrate" a defendant's "state of mind," if there were "facts and circumstances from which the jury reasonably could infer that [the defendant] knew her conduct was unauthorized and illegal," Id. at 213 (quoting United States v. Bordelon, 871 F.2d 491, 494 (5th Cir.), cert. denied, 439 U.S. 838 (1989)).

GCC does not provide any details of its internal investigation in its response, except to say that the "reimbursements were authorized by General Cigar's President, Austin McNamara." Nor does GCC challenge Complainant's description of events leading up to the reimbursements; for example, that Austin McNamara requested that Complainant write a \$1,000 check to the Dole Committee and deliver it to Mr. McNamara's assistant, Barbara Sambrook; and that CFO Robert Loftus expressed concern about the legality of the reimbursements and stated that he would "bury" them in an expense account of the corporation that could not be traced. The evidence suggests an intent by GCC to circumvent the Act's prohibitions against corporate

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contributions and contributions made in the name of others, and is not adequately refuted by GCC's flat denial that it acted knowingly and willfully. Accordingly, this Office recommends that the Commission find that GCC knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f by knowingly making corporate contributions in the name of others.

Austin McNamara made three \$1,000 contributions to three separate campaign committees, and was fully reimbursed for each contribution by GCC. By permitting his name to be used to effect these contributions, he appears to have violated 2 U.S.C. § 441f. He also appears to have violated 2 U.S.C. § 441b(a) in his capacity as an officer of GCC by consenting to eleven corporate contributions totaling \$11,000. Mr. McNamara appears to have initiated the scheme by requesting contributions to certain campaign committees from his employees, and directing his assistant, Barbara Sambrook, to collect the checks. He authorized all of the reimbursements, including the reimbursements to himself for his three \$1,000 contributions. In light of the foregoing, this Office recommends that the Commission find reason to believe that Austin T. McNamara knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f by knowingly assisting in the making of contributions in the name of others, by consenting to corporate contributions and by permitting his name to be used to effect such contributions.

Robert Loftus appears to have assisted in the making of the contributions by reimbursing the personal contributions of the employees with corporate funds. He appears to have acted in a knowing and willful manner by attempting to conceal the reimbursements in an expense account of the corporation that could not be traced. He also consented to the reimbursements in his capacity as an officer of GCC. This Office therefore recommends that the Commission find

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reason to believe that Robert Loftus knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f.

Barbara Sambrook served as Mr. McNamara's Executive Assistant and appears to have assisted him in this matter by pressuring Complainant to make a contribution and by collecting the contribution checks from GCC employees. Therefore, this Office recommends that the Commission find reason to believe that Barbara Sambrook violated 2 U.S.C. § 441f by knowingly assisting in the making of contributions in the name of others.

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The Gingrich Committee does not appear to have had any knowledge or reason to suspect that the contributions it received from five GCC employees had been reimbursed by GCC, until GCC faxed it such notification on January 25, 1996. After reviewing its records, the Gingrich Committee refunded all five of these contributions to the individual contributors on February 15, 1996. Pursuant to 11 C.F.R. § 103.3(b)(1), political committees must make best efforts to examine all contributions for evidence of illegality. If a committee later discovers a contribution to be illegal based on evidence not available at the time of the contribution, it must return the contribution within thirty (30) days of the discovery. 11 C.F.R. § 103.3(b)(2). Since the Committee appears to have complied with these requirements, this Office recommends that the Commission find no reason to believe that the Gingrich Committee and Briggs Goggans, as treasurer, violated any provision of the Act in this matter and close the file as it pertains to these respondents.

The Dole Committee does not appear to have had any knowledge or reason to suspect that the contributions it received from five GCC employees had been reimbursed by GCC, until it received such notification from GCC on November 16, 1995. The Dole Committee refunded

one of the contributions on the same day, and refunded the remaining four contributions on November 17. Since the Committee appears to have complied with the requirements of 11 C.F.R. § 103.3(b), this Office recommends that the Commission find no reason to believe that the Dole Committee and Robert E. Lighthizer, as treasurer, violated any provision of the Act in this matter and close the file as it pertains to these respondents.<sup>10</sup>

William B. Currier and John M. Rano each made a \$1,000 contribution to the Gingrich Committee and a \$1,000 contribution to the Dole Committee. They each appear to have been fully reimbursed for these contributions by GCC. David Burgh and William Conder each made a \$1,000 contribution to the Gingrich Committee and appear to have been reimbursed for their contributions by GCC. Frank G. Fina contributed \$1,000 to the Dole Committee and appears to have been fully reimbursed by GCC. Accordingly, this Office recommends that the Commission find reason to believe that William B. Currier, John M. Rano, David Burgh, William Conder and Frank G. Fina each violated 2 U.S.C. § 441f by knowingly permitting their names to be used to effect contributions.

### III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTIES

<sup>10</sup> This Office has notified the Audit Division of the possibility of matching fund repayments to be made by the Dole Committee with regard these contributions so that appropriate action may be taken.

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**IV. RECOMMENDATIONS**

1. Find reason to believe that General Cigar Co., Inc. knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f, and grant this respondent's request to enter into conciliation prior to a finding of probable cause to believe.
2. Find reason to believe that Austin T. McNamara knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f, and grant this respondent's request to enter into conciliation prior to a finding of probable cause to believe.

3. Find reason to believe that Robert Loftus knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f, and grant this respondent's request to enter into conciliation prior to a finding of probable cause to believe.
4. Find reason to believe that Barbara Sambrook violated 2 U.S.C. § 441f, and grant this respondent's request to enter into conciliation prior to a finding of probable cause to believe.
5. Find no reason to believe that Friends of Newt Gingrich and Briggs Goggans, as treasurer, violated any provision of the Act in this matter and close the file as it pertains to these respondents.
6. Find no reason to believe that Dole for President, Inc. and Robert E. Lighthizer, as treasurer, violated any provision of the Act in this matter and close the file as it pertains to these respondents.
7. Find reason to believe that William B. Currier violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
8. Find reason to believe that John M. Rano violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
9. Find reason to believe that David Burgh violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
10. Find reason to believe that William Conder violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
11. Find reason to believe that Frank G. Fina violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.

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- 12. Approve the attached Factual and Legal Analyses (9), proposed conciliation agreements (9), and the appropriate letters.

Lawrence M. Noble  
General Counsel

7/16/96  
Date

BY:   
Lois G. Lerner  
Associate General Counsel

Attachments:

- 1. Hard copy of GCC internal "e-mail" sent to four GCC employees on August 3, 1995
- 2. Photocopy of \$1,000 check from GCC to Paul T. Cleveland, dated August 8, 1995
- 3. Factual and Legal Analyses (9)
- 4. Proposed conciliation agreements (9)

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**MEMORANDUM**

**TO:** LAWRENCE M. NOBLE  
GENERAL COUNSEL

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

**DATE:** JULY 19, 1996

**SUBJECT:** MUR 4286 - FIRST GENERAL COUNSEL'S REPORT  
DATED JULY 16, 1996.

The above-captioned document was circulated to the Commission  
on: Wednesday, July 17, 1996 at 4:00

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

- Commissioner Aikens \_\_\_\_\_
- Commissioner Elliott xxx
- Commissioner McDonald \_\_\_\_\_
- Commissioner McGarry \_\_\_\_\_
- Commissioner Potter \_\_\_\_\_
- Commissioner Thomas xxx

This matter will be placed on the meeting agenda for:  
Tuesday, July 30, 1996.

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

9704377536



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**MEMORANDUM**

**TO:** LAWRENCE M. NOBLE  
GENERAL COUNSEL

**FROM:** MARJORIE W. EMMONS/ LISA R. DAVIS *(initials)*  
COMMISSION SECRETARY

**DATE:** JULY 22, 1996

**SUBJECT:** MUR 4286 - FIRST GENERAL COUNSEL'S REPORT  
DATED JULY 16, 1996.

The above-captioned document was circulated to the Commission  
on: WEDNESDAY, JULY 17, 1996 at 4:00 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>          </u>
Commissioner McGarry	<u>          </u>
Commissioner Potter	<u>          </u>
Commissioner Thomas	<u>   xxx   </u>

This matter will be placed on the meeting agenda for:  
TUESDAY, JULY 30, 1996

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

97043775537

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
General Cigar Co., Inc.; ) MUR 4286  
Austin T. McNamara; )  
Robert Loftus; )  
Barbara Sambrook; )  
Friends of Newt Gingrich and )  
Briggs Goggans, as treasurer; )  
Dole for President, Inc. and )  
Robert E. Lighthizer, as )  
treasurer; )  
William B. Currier; )  
John M. Rano; )  
David Burgh; )  
William Conder; )  
Frank G. Fina )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on July 30, 1996, do hereby certify that the Commission took the following actions in MUR 4286:

1. Decided by a vote of 4-1 to
  - a. Find reason to believe that General Cigar Co., Inc. knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f, and grant this respondent's request to enter into conciliation prior to a finding of probable cause to believe.

(continued)

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- b. Find reason to believe that Austin T. McNamara knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f, and grant this respondent's request to enter into conciliation prior to a finding of probable cause to believe.
- c. Find reason to believe that Robert Loftus knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f, and grant this respondent's request to enter into conciliation prior to a finding of probable cause to believe.
- d. Find reason to believe that Barbara Sambrook violated 2 U.S.C. § 441f, and grant this respondent's request to enter into conciliation prior to a finding of probable cause to believe.
- e. Find no reason to believe that Friends of Newt Gingrich and Briggs Goggans, as treasurer, violated any provision of the Act in this matter and close the file as it pertains to these respondents.
- f. Find no reason to believe that Dole for President, Inc. and Robert E. Lighthizer, as treasurer, violated any provision of the Act in this matter and close the file as it pertains to these respondents.

(continued)

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- g. Find reason to believe that William B. Currier violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
- h. Find reason to believe that John M. Rano violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
- i. Find reason to believe that David Burgh violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
- j. Find reason to believe that William Condor violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
- k. Find reason to believe that Frank G. Fina violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.

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

(continued)

9704377554C

2. Decided by a vote of 4-1 to approve the Factual and Legal Analyses, proposed conciliation agreements, and the appropriate letters as recommended in the General Counsel's July 16, 1996 report

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

3. Decided by a vote of 4-0 to reconsider the vote just taken in MUR 4286.

Commissioners Aikens, Elliott, McGarry, and Thomas voted affirmatively for the decision; Commissioner McDonald was not present.

4. Decided by a vote of 4-1 to approve the Factual and Legal Analyses, proposed conciliation agreements, and the appropriate letters as recommended in the General Counsel's July 16, 1996 report

9704377541

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

Attest:

7-31-96

Date

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

97043775542

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 4286  
General Cigar Co., Inc.; )  
Austin T. McNamara; )  
Robert Loftus; )  
Barbara Sambrook; )  
Friends of Newt Gingrich and )  
Briggs Goggans, as treasurer; )  
Dole for President, Inc. and )  
Robert E. Lighthizer, as )  
treasurer; )  
William B. Currier; )  
John M. Rano; )  
David Burgh; )  
William Conder; )  
Frank G. Fina )

CORRECTED CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on July 30, 1996, do hereby certify that the Commission took the following actions in MUR 4286:

1. Decided by a vote of 4-1 to
  - a. Find reason to believe that General Cigar Co., Inc. knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f, and grant this respondent's request to enter into conciliation prior to a finding of probable cause to believe.

(continued)

97043775543

- b. Find reason to believe that Austin T. McNamara knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f, and grant this respondent's request to enter into conciliation prior to a finding of probable cause to believe.
- c. Find reason to believe that Robert Loftus knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f, and grant this respondent's request to enter into conciliation prior to a finding of probable cause to believe.
- d. Find reason to believe that Barbara Sambrook violated 2 U.S.C. § 441f, and grant this respondent's request to enter into conciliation prior to a finding of probable cause to believe.
- e. Find no reason to believe that Friends of Newt Gingrich and Briggs Goggans, as treasurer, violated any provision of the Act in this matter and close the file as it pertains to these respondents.
- f. Find no reason to believe that Dole for President, Inc. and Robert E. Lighthizer, as treasurer, violated any provision of the Act in this matter and close the file as it pertains to these respondents.

(continued)

97043775544

- g. Find reason to believe that William B. Currier violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
- h. Find reason to believe that John M. Rano violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
- i. Find reason to believe that David Burgh violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
- j. Find reason to believe that William Conder violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
- k. Find reason to believe that Frank G. Fina violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.

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

(continued)

97043775545

2. Decided by a vote of 4-1 to approve the Factual and Legal Analyses, proposed conciliation agreements, and the appropriate letters as recommended in the General Counsel's July 16, 1996 report

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

3. Decided by a vote of 4-0 to reconsider the vote just taken in MUR 4286.

Commissioners Aikens, Elliott, McGarry, and Thomas voted affirmatively for the decision; Commissioner McDonald was not present.

4. Decided by a vote of 4-1 to approve the Factual and Legal Analyses, proposed conciliation agreements, and the appropriate letters as recommended in the General Counsel's July 16, 1996 report

97043775546

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

Attest:

8-6-96  
Date

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

97043775547



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

*August 9, 1996*

**Mr. William B. Currier**  
26 Woodmont  
Avon, CT 06001

**RE: MUR 4286**  
**William B. Currier**

**Dear Mr. Currier:**

On July 30, 1996, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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.

In order to expedite the resolution of this matter, the Commission has also decided to offer 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 is a conciliation agreement that the Commission has approved.

If you are interested in expediting the resolution of this matter by pursuing probable cause conciliation and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, 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.

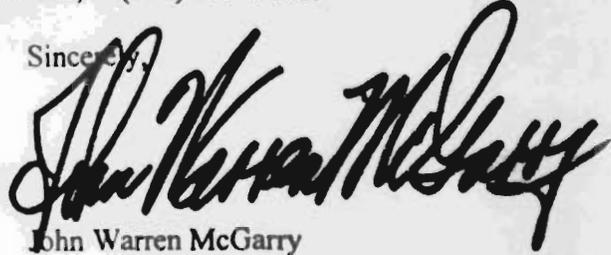
If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

97043775548

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Thomas J. Andersen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,



John Warren McGarry  
Vice Chairman

Enclosures  
Factual and Legal Analysis  
Procedures  
Designation Counsel Form  
Conciliation Agreement

977043775549

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT: William B. Currier**

**MUR 4286**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

Pursuant to 2 U.S.C. § 441f of the Federal Election Campaign Act of 1971, as amended ("the Act"), it is unlawful for any person (1) to make a contribution in the name of another, (2) to knowingly permit his or her name to be used to effect such a contribution, or (3) to knowingly accept such a contribution. See also 11 C.F.R. § 110.4(b).

According to Commission indices, William B. Currier, Vice-President of General Cigar Co., Inc. ("GCC"), made two contributions to federal candidate committees during the 1993-94 and 1995-96 election cycles. The first contribution, in the amount of \$1,000, was received by Friends of Newt Gingrich on September 27, 1994. The second contribution, also for \$1,000, was received by Dole for President, Inc., on August 1, 1995. According to information in the Commission's possession, Mr. Currier accepted reimbursements for these contributions from GCC. Commission indices indicate that Mr. Currier has since received refunds for these contributions from the two candidate committees. By making the contributions and accepting reimbursements for them from GCC, Mr. Currier appears to have knowingly permitted his name to be used to effect contributions totaling \$2,000.

Therefore, there is reason to believe that William B. Currier violated 2 U.S.C. § 441f.

97043775550



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

*August 9, 1996*

**Jan Witold Baran, Esq.**  
**Wiley, Rein & Fielding**  
1776 K St., N.W.  
Washington, D.C. 20006

**RE MUR 4286**  
**Friends of Newt Gingrich and**  
**Briggs Goggans, as treasurer**

Dear Mr. Baran:

On January 24, 1996, the Federal Election Commission notified Friends of Newt Gingrich (the "Committee") and Briggs Goggans, as treasurer, your clients, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On July 30, 1996, the Commission found, on the basis of the information in the complaint, and information provided by you on behalf of your clients, that there is no reason to believe that Friends of Newt Gingrich and Briggs Goggans, as treasurer, violated any provision of the Act in this matter. Accordingly, the Commission has closed the file in this matter as it pertains to the Committee and Briggs Goggans, as treasurer.

This matter will become part of the public record within 30 days after it has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

Lois G. Lerner  
Associate General Counsel

9704377551



FEDERAL ELECTION COMMISSION

Washington, DC 20463

August 9, 1996

Kenneth A. Gross, Esq.  
Douglas C. Wurth, Esq.  
Skadden, Arps, Slate, Meagher & Flom  
1440 New York Ave., N.W.  
Washington, DC 20005

RE MUR 4286  
Dole for President, Inc., and  
Robert E. Lighthizer, as treasurer

Dear Messrs. Gross and Wurth:

On January 24, 1996, the Federal Election Commission notified Dole for President, Inc., ("Committee") and Robert E. Lighthizer, as treasurer, your clients, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On July 30, 1996, the Commission found, on the basis of the information in the complaint, and information provided by your clients, that there is no reason to believe that Dole for President, Inc., and Robert E. Lighthizer, as treasurer, violated any provision of the Act in this matter. Accordingly, the Commission has closed the file in this matter as it pertains to the Committee and Robert E. Lighthizer, as treasurer.

This matter will become part of the public record within 30 days after it has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

Lois G. Lerner  
Associate General Counsel

9704377552



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

**August 9, 1996**

**John M. Rano**  
**25 Rushford Meade Ave.**  
**Granby, CT 06035-2324**

**RE: MUR 4286**  
**John M. Rano**

**Dear Mr. Rano:**

On July 30, 1996, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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.

In order to expedite the resolution of this matter, the Commission has also decided to offer 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 is a conciliation agreement that the Commission has approved.

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 agreement, please sign and return the agreement, along with the civil penalty, 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.

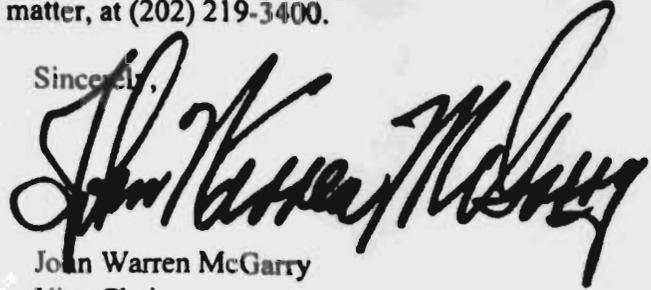
If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

970437553

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Thomas J. Andersen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,



John Warren McGarry  
Vice Chairman

- Enclosures
- Factual and Legal Analysis
- Procedures
- Designation Counsel Form
- Conciliation Agreement

9704377554

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** John M. Rano

**MUR 4286**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

Pursuant to 2 U.S.C. § 441f of the Federal Election Campaign Act of 1971, as amended ("the Act"), it is unlawful for any person (1) to make a contribution in the name of another, (2) to knowingly permit his or her name to be used to effect such a contribution, or (3) to knowingly accept such a contribution. See also 11 C.F.R. § 110.4(b).

According to Commission indices, John M. Rano, Vice-President of General Cigar Co., Inc. ("GCC"), made two contributions to federal candidate committees during the 1993-94 and 1995-96 election cycles. The first contribution, in the amount of \$1,000, was received by Friends of Newt Gingrich on September 27, 1994. The second contribution, also for \$1,000, was received by Dole for President, Inc., on August 1, 1995. According to information in the Commission's possession, Mr. Rano accepted reimbursements for these contributions from GCC. Commission indices indicate that Mr. Rano has since received refunds for these contributions from the two candidate committees. By making the contributions and accepting reimbursements for them from GCC, Mr. Rano appears to have knowingly permitted his name to be used to effect contributions totaling \$2,000.

Therefore, there is reason to believe that John M. Rano violated 2 U.S.C. § 441f.

9704377555



**FEDERAL ELECTION COMMISSION**

Washington, DC 20463

**August 9, 1996**

**Mr. David Burgh  
31 Foxcroft Run  
Avon, CT 06001-2509**

**RE: MUR 4286  
David Burgh**

**Dear Mr. Burgh:**

On July 30, 1996, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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.

In order to expedite the resolution of this matter, the Commission has also decided to offer 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 is a conciliation agreement that the Commission has approved.

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 agreement, please sign and return the agreement, along with the civil penalty, 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.

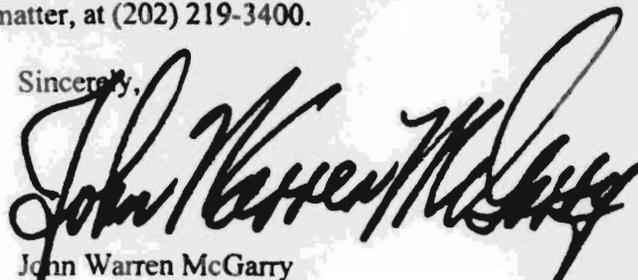
If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9704377556

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Thomas J. Andersen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,



John Warren McGarry  
Vice Chairman

- Enclosures  
Factual and Legal Analysis  
Procedures  
Designation Counsel Form  
Conciliation Agreement

9704377557

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT: David Burgh**

**MUR 4286**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

Pursuant to 2 U.S.C. § 441f of the Federal Election Campaign Act of 1971, as amended ("the Act"), it is unlawful for any person (1) to make a contribution in the name of another, (2) to knowingly permit his or her name to be used to effect such a contribution, or (3) to knowingly accept such a contribution. See also 11 C.F.R. § 110.4(b).

According to Commission indices, David Burgh, an employee of General Cigar Co., Inc. ("GCC"), made a \$1,000 contribution to Friends of Newt Gingrich ("the Committee"), which was received by the Committee on September 27, 1994. According to information in the Commission's possession, Mr. Burgh accepted reimbursement for this contribution from GCC. Commission indices indicate that Mr. Burgh has since received a refund for this contribution from the Committee. By making the contribution and accepting reimbursement for it from GCC, Mr. Burgh appears to have knowingly permitted his name to be used to effect a contribution in the amount of \$1,000.

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

97043775558



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

Mr. Frank G. Fina  
26 N. 16th St.  
Allentown, PA 18102

**August 9, 1996**

RE: MUR 4286  
Frank G. Fina

Dear Mr. Fina:

On July 30, 1996, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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.

In order to expedite the resolution of this matter, the Commission has also decided to offer 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 is a conciliation agreement that the Commission has approved.

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 agreement, please sign and return the agreement, along with the civil penalty, 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.

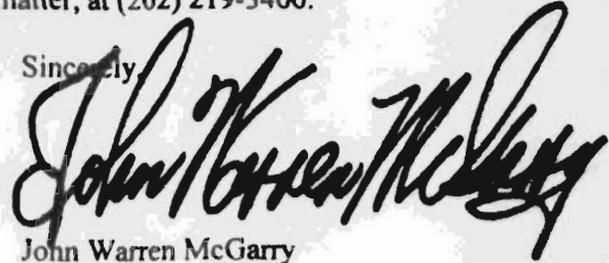
If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

97043775559

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Thomas J. Andersen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,



John Warren McGarry  
Vice Chairman

Enclosures  
Factual and Legal Analysis  
Procedures  
Designation Counsel Form  
Conciliation Agreement

97043775560

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Frank G. Fina

**MUR 4286**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

Pursuant to 2 U.S.C. § 441f of the Federal Election Campaign Act of 1971, as amended ("the Act"), it is unlawful for any person (1) to make a contribution in the name of another, (2) to knowingly permit his or her name to be used to effect such a contribution, or (3) to knowingly accept such a contribution. See also 11 C.F.R. § 110.4(b).

9 7 0 4 3 7 7 5 5 6 1  
According to information in the Commission's possession, Frank G. Fina, Senior Vice-President of General Cigar Co., Inc. ("GCC"), made a \$1,000 contribution to Dole for President, Inc. ("the Committee"), during the 1995-96 election cycle, and accepted reimbursement for this contribution from GCC. Commission indices indicate that Mr. Fina has since received a refund for this contribution from the Committee. By making the contribution and accepting reimbursement for it from GCC, Mr. Fina appears to have knowingly permitted his name to be used to effect a contribution in the amount of \$1,000.

Therefore, there is reason to believe that Frank G. Fina violated 2 U.S.C. § 441f.



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

**August 9, 1996**

**Mr. William Conder**  
**17517 Tally Ho Ct.**  
**Odessa, FL 33556-1816**

**RE: MUR 4286**  
**William Conder**

**Dear Mr. Conder:**

**On July 30, 1996, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.**

**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.**

**In order to expedite the resolution of this matter, the Commission has also decided to offer 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 is a conciliation agreement that the Commission has approved.**

**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 agreement, please sign and return the agreement, along with the civil penalty, 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.**

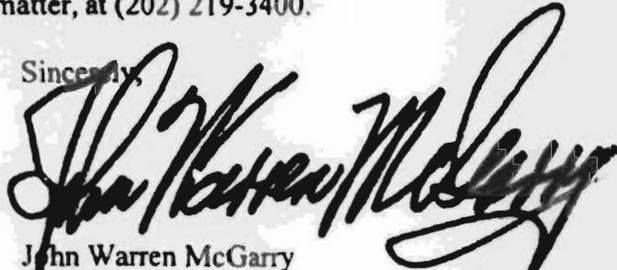
**If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.**

97043775562

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Thomas J. Andersen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,



John Warren McGarry  
Vice Chairman

- Enclosures**  
Factual and Legal Analysis  
Procedures  
Designation Counsel Form  
Conciliation Agreement

9 7 0 4 3 7 7 5 5 6 3

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT: William Conder**

**MUR 4286**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

Pursuant to 2 U.S.C. § 441f of the Federal Election Campaign Act of 1971, as amended ("the Act"), it is unlawful for any person (1) to make a contribution in the name of another, (2) to knowingly permit his or her name to be used to effect such a contribution, or (3) to knowingly accept such a contribution. See also 11 C.F.R. § 110.4(b).

According to Commission indices, William Conder, an employee of General Cigar Co., Inc. ("GCC"), made a \$1,000 contribution to Friends of Newt Gingrich ("the Committee"), which was received by the Committee on September 27, 1994. According to information in the Commission's possession, Mr. Conder accepted reimbursement for this contribution from GCC. Commission indices indicate that Mr. Conder has since received a refund for this contribution from the Committee. By making the contribution and accepting reimbursement for it from GCC, Mr. Conder appears to have knowingly permitted his name to be used to effect a contribution in the amount of \$1,000.

Therefore, there is reason to believe that William Conder violated 2 U.S.C. § 441f.

97043775564



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

**August 9, 1996**

**Hope C. Seeley, Esq.**  
**Santos & Seeley, P.C.**  
**51 Russ Street**  
**Hartford, CT 06106-1566**

**RE: MUR 4286**  
**Barbara Sambrook**

**Dear Ms. Seeley:**

On December 12, 1995, the Federal Election Commission notified Barbara Sambrook, your client, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your client's former counsel, the Commission, on July 30, 1996, found that there is reason to believe that Barbara Sambrook violated 2 U.S.C. § 441f, and granted your client's request to enter into conciliation prior to a finding of probable cause to believe. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is 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 receipt of this letter. Where appropriate, statements should be submitted under oath.

As noted above, the Commission has also decided to offer 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 is a conciliation agreement that the Commission has approved.

If you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, 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.

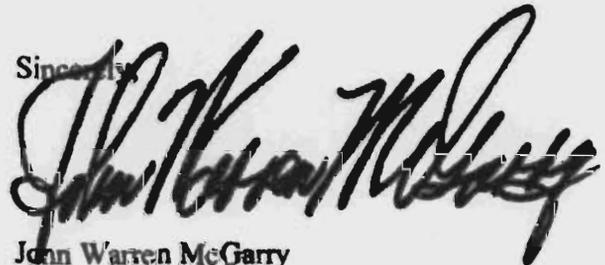
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Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily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

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(e)(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 have any questions, please contact Thomas J. Andersen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,



John Warren McGarry  
Vice Chairman

Enclosures  
Factual and Legal Analysis  
Conciliation Agreement

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Barbara Sambrook

MUR 4286

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by Paul T. Cleveland ("Complainant") concerning allegations of violations by Barbara Sambrook, of the Federal Election Campaign Act of 1971, as amended (the "Act"). See 2 U.S.C. § 437g(a)(2).

Pursuant to 2 U.S.C. § 441b(a), corporations are prohibited from making contributions or expenditures from their general treasury funds in connection with any election of any candidate for federal office. In addition, section 441b(a) prohibits any officer or director of any corporation from consenting to any contribution or expenditure by the corporation. 2 U.S.C. § 441a(a)(1)(A) limits contributions by an individual to a federal candidate and the candidate's authorized political committees to \$1,000 per election. 2 U.S.C. § 441f makes it unlawful for any person to make a contribution in the name of another, or for any person to knowingly permit his or her name to be used to make such a contribution. Such a violation may occur if a person gives funds to a straw donor for the purpose of having the person or entity pass funds on to a federal candidate as his, her or its own donation. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii).

Complainant alleges that, on or about July 11, 1995, Austin T. McNamara, President of General Cigar Co., Inc. ("GCC"), handed him a slip of paper instructing him to write a personal check for \$1,000 to Dole for President, Inc. ("Dole Committee"). Complainant later spoke to Robert Loftus, Vice-President and Chief Financial Officer of GCC, who informed him that Mr. McNamara had previously required employees to contribute to federal election campaigns, citing

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the reelection campaign of Congressman Newt Gingrich in 1994. Mr. Loftus then allegedly advised Complainant that it would be in his "best interests" to comply with Mr. McNamara's wishes.

Complainant claims that, between July 12 and July 20, 1995, he was "pressured on multiple occasions" by Mr. McNamara and his Executive Assistant, Barbara Sambrook, to make the contribution. On July 20, he wrote out a \$1,000 check to the Dole Committee and, at Mr. McNamara's direction, he gave it to Ms. Sambrook. Complainant believes that his check was bundled together with checks from Mr. McNamara and two GCC vice-presidents, John Geoghegan and Brent Currier, and then sent to the Dole Committee. Complainant states that, on August 3, 1995, Mr. Loftus notified him and the three other alleged contributors through office "e-mail" at GCC that they would be reimbursed on August 8, 1995 for their personal contributions to the Dole Committee.

On August 7, 1995, when Complainant voiced his concern to Robert Loftus that the contributions were probably illegal, Mr. Loftus allegedly concurred and replied that he would "bury" the reimbursements of the contributions in an expense account of the corporation that could not be traced. The following day, Complainant received a check from GCC in the amount of \$1,000 as reimbursement for his personal contribution to the Dole Committee. The check remains uncashed in Complainant's possession.

According to the complaint, the following events have taken place since the reimbursement:

- On August 31, 1995, Complainant was suspended with pay by GCC, changed to suspension without pay on October 1, 1995.

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- On September 7, 1995, GCC filed a federal civil fraud and racketeering action against an Alabama trucking company in connection with an alleged marijuana smuggling ring and fraudulent trucking scheme. GCC alleged in that action that Complainant was criminally involved in such activity.
- On October 25, 1995, Complainant filed a civil lawsuit against GCC, alleging in the First Count that he was discharged in violation of public policy based on his stated intention to disclose, *inter alia*, the illegal campaign contributions.
- On November 15, 1995, Complainant was interviewed by staff from the SEC Enforcement Division regarding allegations in his lawsuit against GCC. Among the items discussed were the contributions to the Dole Committee.
- On November 25, 1995, Complainant received an unsolicited check from the Dole Committee in the amount of \$1,000, referenced as a "contribution refund."

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Ms. Sambrook's response indicates that GCC has filed suit against Complainant and a trucking business in Alabama and that a federal grand jury is investigating the matter.<sup>1</sup> The response notes that GCC has conducted an extensive internal investigation of the reimbursements, which has revealed that, in total, contributions of \$11,000 by individual employees to three federal candidate committees have been reimbursed by the company. The response does not dispute Complainant's claim that Ms. Sambrook assisted Mr. McNamara in this matter by pressuring Complainant to make a contribution and then collecting his contribution check. Based on the allegations in the complaint and Ms. Sambrook's admission that violations of the Act may have occurred regarding contributions to three federal candidate committees totaling \$11,000, it appears that she violated 2 U.S.C. § 441f by knowingly assisting in the making of contributions in the name of others.

Therefore, there is reason to believe that Barbara Sambrook violated 2 U.S.C. § 441f.

<sup>1</sup> News reports indicate that Complainant was indicted in May 1996 of defrauding GCC.



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

**August 9, 1996**

**Kenneth Gross, Esq.**  
**Skadden, Arps, Slate, Meagher & Flom**  
**1440 New York Avenue, N.W.**  
**Washington, D.C. 20005-2111**

**RE: MUR 4286**  
**General Cigar Co., Inc.**

**Dear Mr. Gross:**

On December 12, 1995, the Federal Election Commission notified General Cigar Co., Inc., your client, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on July 30, 1996, found that there is reason to believe that General Cigar Co., Inc. knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f, and granted your client's request to enter into conciliation prior to a finding of probable cause to believe. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is 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 receipt of this letter. Where appropriate, statements should be submitted under oath.

As noted above, the Commission has also decided to offer 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 is a conciliation agreement that the Commission has approved.

If you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, 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.

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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 matter to be made public.

If you have any questions, please contact Thomas J. Andersen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,



John Warren McGarry  
Vice Chairman

Enclosures  
Factual and Legal Analysis  
Conciliation Agreement

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: General Cigar Co., Inc.

MUR 4286

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by Paul T. Cleveland ("Complainant") concerning allegations of violations by General Cigar Co., Inc. ("GCC"), of the Federal Election Campaign Act of 1971, as amended (the "Act"). See 2 U.S.C. § 437g(a)(2).

Pursuant to 2 U.S.C. § 441b(a), corporations are prohibited from making contributions or expenditures from their general treasury funds in connection with any election of any candidate for federal office. In addition, section 441b(a) prohibits any officer or director of any corporation from consenting to any contribution or expenditure by the corporation. 2 U.S.C. § 441a(a)(1)(A) limits contributions by an individual to a federal candidate and the candidate's authorized political committees to \$1,000 per election. 2 U.S.C. § 441f makes it unlawful for any person to make a contribution in the name of another, or for any person to knowingly permit his or her name to be used to make such a contribution. Such a violation may occur if a person gives funds to a straw donor for the purpose of having the person or entity pass funds on to a federal candidate as his, her or its own donation. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii).

Complainant alleges that, on or about July 11, 1995, Austin T. McNamara, President of GCC, handed him a slip of paper instructing him to write a personal check for \$1,000 to Dole for President, Inc. ("Dole Committee"). Complainant later spoke to Robert Loftus, Vice-President and Chief Financial Officer of GCC, who informed him that Mr. McNamara had previously required employees to contribute to federal election campaigns, citing the reelection campaign of

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Congressman Newt Gingrich in 1994 ("Gingrich Committee"). Mr. Loftus then allegedly advised Complainant that it would be in his "best interests" to comply with Mr. McNamara's wishes.

Complainant claims that, between July 12 and July 20, 1995, he was "pressured on multiple occasions" by Mr. McNamara and his Executive Assistant, Barbara Sambrook, to make the contribution. On July 20, he wrote out a \$1,000 check to the Dole Committee and, at Mr. McNamara's direction, he gave it to Ms. Sambrook. Complainant believes that his check was bundled together with checks from Mr. McNamara and two GCC vice-presidents, John Geoghegan and Brent Currier, and then sent to the Dole Committee. Complainant states that, on August 3, 1995, Mr. Loftus notified him and the three other alleged contributors through office "e-mail" at GCC that they would be reimbursed on August 8, 1995 for their personal contributions to the Dole Committee.

On August 7, 1995, when Complainant voiced his concern to Robert Loftus that the contributions were probably illegal, Mr. Loftus allegedly concurred and replied that he would "bury" the reimbursements of the contributions in an expense account of the corporation that could not be traced. The following day, Complainant received a check from GCC in the amount of \$1,000 as reimbursement for his personal contribution to the Dole Committee. The check remains uncashed in Complainant's possession.

According to the complaint, the following events have taken place since the reimbursement:

- On August 31, 1995, Complainant was suspended with pay by GCC, changed to suspension without pay on October 1, 1995.

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- On September 7, 1995, GCC filed a federal civil fraud and racketeering action against an Alabama trucking company in connection with an alleged marijuana smuggling ring and fraudulent trucking scheme. GCC alleged in that action that Complainant was criminally involved in such activity (GCC's response indicates that Complainant was joined as a defendant sometime after the complaint was received by the Commission).
- On October 25, 1995, Complainant filed a civil lawsuit against GCC, alleging in the First Count that he was discharged in violation of public policy based on his stated intention to disclose, *inter alia*, the illegal campaign contributions.
- On November 15, 1995, Complainant was interviewed by staff from the SEC Enforcement Division regarding allegations in his lawsuit against GCC. Among the items discussed were the contributions to the Dole Committee.
- On November 25, 1995, Complainant received an unsolicited check from the Dole Committee in the amount of \$1,000, referenced as a "contribution refund."

GCC characterizes the complaint as "a case of a disgruntled employee who was suspended for improper and possibly illegal conduct."<sup>1</sup> GCC contends that it conducted a full investigation of the facts and circumstances alleged in the complaint. Its investigation has revealed that, in total, contributions of \$11,000 by individual employees to three federal candidate committees have been reimbursed by the company as follows:

<u>Contributor</u>	<u>Recipient Committee</u>	<u>Amount</u>	<u>Date of Contribution</u>
Austin T. McNamara	Gingrich Committee	\$1,000	9/27/94
William B. Currier <sup>2</sup>	Gingrich Committee	\$1,000	9/27/94

<sup>1</sup> GCC later supplemented its response with an affidavit from Charles R. Niven, Chief of the Criminal Division of the United States Attorney's Office for the Middle District of Alabama, in support of GCC's motion to stay the proceedings in Complainant's civil case against GCC. Mr. Niven notes that a grand jury in his district is investigating possible violations of federal criminal law incident to fraud against GCC, and has already returned an indictment charging two former GCC employees with marijuana possession and distribution offenses. News reports indicate that Complainant was indicted in May 1996 of defrauding GCC.

<sup>2</sup> This individual is actually listed as "Brent Currier" in the complaint and in GCC's response.

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John M. Rano	Gingrich Committee	\$1,000	9/27/94
David Burgh	Gingrich Committee	\$1,000	9/27/94
William Conder <sup>3</sup>	Gingrich Committee	\$1,000	9/27/94
Austin T. McNamara	Dole Committee	\$1,000	8/01/95
Paul T. Cleveland	Dole Committee	\$1,000	8/01/95
William B. Currier	Dole Committee	\$1,000	8/01/95
John M. Rano	Dole Committee	\$1,000	8/01/95
Frank G. Fina	Dole Committee	\$1,000	8/01/95
Austin T. McNamara	Committee For Sam Gibbons	\$1,000	4/21/95

Commission indices confirm that the above contributions were reportedly made by the listed individuals, and that no other contributions were made by GCC employees during the 1993-94 and 1995-96 election cycles. GCC has admitted that all of the reimbursements were authorized by its president, Austin McNamara. GCC's parent, Culbro Corporation ("Culbro"), requested that the recipient committees refund the contributions. Commission indices indicate that the Dole Committee refunded contributions to the listed individuals on November 16 and 17, 1995; the Gibbons Committee refunded \$1,000 to Mr. McNamara on January 17, 1996; and the Gingrich Committee refunded the five contributions listed above on February 15, 1996. GCC's response notes that GCC and Culbro have corporate policies prohibiting the reimbursement of political contributions, and that Mr. McNamara has been admonished for his violation of these

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<sup>3</sup> This individual is actually listed as "Mike Condor" in GCC's response.

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policies. GCC claims that none of the reimbursements were made with the knowledge that the Act was violated or with the intent to violate the Act.

Based on the allegations in the complaint, a review of Commission indices, and GCC's admission that it reimbursed seven employees for contributions to three federal candidate committees totaling \$11,000, it appears that GCC violated 2 U.S.C. §§ 441b(a) and 441f. GCC argues, however, that none of the reimbursements were made with the knowledge that the Act was violated or with the intent to violate the Act. It claims that the manner in which the contributions were made and GCC's documentation relating to them supports the view that there was never an illicit purpose or intent.

The knowing and willful standard requires knowledge that one is violating the law. Federal Election Commission v. John A. Dramesi for Congress Committee, 640 F. Supp. 985, 987 (D. N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). In Hopkins, the court found that the defendant officers "knew that corporations could not make political contributions" and that an inference of a knowing and willful violation could be drawn "from the defendants' elaborate scheme for disguising their corporate political contributions" as individual contributions, and that they "deliberately conveyed information they knew to be false to the . . . Commission." Id. at 214-15. The court also found that the evidence did not have to show that a defendant "had specific knowledge of the regulations" or "conclusively demonstrate" a defendant's "state of mind," if there were "facts and circumstances from which the jury reasonably could infer that

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[the defendant] knew her conduct was unauthorized and illegal," *Id.* at 213 (quoting *United States v. Bordelon*, 871 F.2d 491, 494 (5th Cir.), cert. denied, 439 U.S. 838 (1989)).

GCC does not provide any details of its internal investigation in its response, except to say that the "reimbursements were authorized by General Cigar's President, Austin McNamara." Nor does GCC challenge Complainant's description of events leading up to the reimbursements; for example, that Austin McNamara requested that Complainant write a \$1,000 check to the Dole Committee and deliver it to Mr. McNamara's assistant, Barbara Sambrook; and that CFO Robert Loftus expressed concern about the legality of the reimbursements and stated that he would "bury" them in an expense account of the corporation that could not be traced. The evidence suggests an intent by GCC to circumvent the Act's prohibitions against corporate contributions and contributions made in the name of others, and is not adequately refuted by GCC's flat denial that it acted knowingly and willfully.

Therefore, there is reason to believe that General Cigar Co., Inc., knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f.

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**FEDERAL ELECTION COMMISSION**

Washington, DC 20463

**August 9, 1996**

**Ethan A. Levin-Epstein, Esq.**  
**Garrison, Phelan, Levin-Epstein & Penzel, P.C.**  
**405 Orange St.**  
**New Haven, CT 06511**

**RE: MUR 4286**  
**Austin T. McNamara**

**Dear Mr. Levin-Epstein:**

On December 12, 1995, the Federal Election Commission notified Austin T. McNamara, your client, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on July 30, 1996, found that there is reason to believe that Austin T. McNamara knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f, and granted your client's request to enter into conciliation prior to a finding of probable cause to believe. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is 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 receipt of this letter. Where appropriate, statements should be submitted under oath.

As noted above, the Commission has also decided to offer 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 is a conciliation agreement that the Commission has approved.

If you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, 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.

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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 matter to be made public.

If you have any questions, please contact Thomas J. Andersen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,



John Warren McGarry  
Vice Chairman

Enclosures  
Factual and Legal Analysis  
Conciliation Agreement

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**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Austin T. McNamara

**MUR 4286**

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by Paul T. Cleveland ("Complainant") concerning allegations of violations by Austin T. McNamara, of the Federal Election Campaign Act of 1971, as amended (the "Act"). See 2 U.S.C. § 437g(a)(2).

Pursuant to 2 U.S.C. § 441b(a), corporations are prohibited from making contributions or expenditures from their general treasury funds in connection with any election of any candidate for federal office. In addition, section 441b(a) prohibits any officer or director of any corporation from consenting to any contribution or expenditure by the corporation. 2 U.S.C. § 441a(a)(1)(A) limits contributions by an individual to a federal candidate and the candidate's authorized political committees to \$1,000 per election. 2 U.S.C. § 441f makes it unlawful for any person to make a contribution in the name of another, or for any person to knowingly permit his or her name to be used to make such a contribution. Such a violation may occur if a person gives funds to a straw donor for the purpose of having the person or entity pass funds on to a federal candidate as his, her or its own donation. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii).

Complainant alleges that, on or about July 11, 1995, Austin T. McNamara, President of General Cigar Co., Inc. ("GCC"), handed him a slip of paper instructing him to write a personal check for \$1,000 to Dole for President, Inc. ("Dole Committee"). Complainant later spoke to Robert Loftus, Vice-President and Chief Financial Officer of GCC, who informed him that Mr. McNamara had previously required employees to contribute to federal election campaigns, citing

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the reelection campaign of Congressman Newt Gingrich in 1994. Mr. Loftus then allegedly advised Complainant that it would be in his "best interests" to comply with Mr. McNamara's wishes.

Complainant claims that, between July 12 and July 20, 1995, he was "pressured on multiple occasions" by Mr. McNamara and his Executive Assistant, Barbara Sambrook, to make the contribution. On July 20, he wrote out a \$1,000 check to the Dole Committee and, at Mr. McNamara's direction, he gave it to Ms. Sambrook. Complainant believes that his check was bundled together with checks from Mr. McNamara and two GCC vice-presidents, John Geoghegan and Brent Carrier, and then sent to the Dole Committee. Complainant states that, on August 3, 1995, Mr. Loftus notified him and the three other alleged contributors through office "e-mail" at GCC that they would be reimbursed on August 8, 1995 for their personal contributions to the Dole Committee.

On August 7, 1995, when Complainant voiced his concern to Robert Loftus that the contributions were probably illegal, Mr. Loftus allegedly concurred and replied that he would "bury" the reimbursements of the contributions in an expense account of the corporation that could not be traced. The following day, Complainant received a check from GCC in the amount of \$1,000 as reimbursement for his personal contribution to the Dole Committee. The check remains uncashed in Complainant's possession.

According to the complaint, the following events have taken place since the reimbursement:

- On August 31, 1995, Complainant was suspended with pay by GCC, changed to suspension without pay on October 1, 1995.

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- On September 7, 1995, GCC filed a federal civil fraud and racketeering action against an Alabama trucking company in connection with an alleged marijuana smuggling ring and fraudulent trucking scheme. GCC alleged in that action that Complainant was criminally involved in such activity.
- On October 25, 1995, Complainant filed a civil lawsuit against GCC, alleging in the First Court that he was discharged in violation of public policy based on his stated intention to disclose, *inter alia*, the illegal campaign contributions.
- On November 15, 1995, Complainant was interviewed by staff from the SEC Enforcement Division regarding allegations in his lawsuit against GCC. Among the items discussed were the contributions to the Dole Committee.
- On November 25, 1995, Complainant received an unsolicited check from the Dole Committee in the amount of \$1,000, referenced as a "contribution refund."

Mr. McNamara's response indicates that GCC has filed suit against Complainant and a trucking business in Alabama and that a federal grand jury is investigating the matter.<sup>1</sup> The response notes that GCC has conducted an extensive internal investigation of the reimbursements, which has revealed that, in total, contributions of \$11,000 by individual employees to three federal candidate committees have been reimbursed by the company. The response states that such contributions "may have been made in a way that could constitute technical violations" of the Act, but were not made "with the knowledge that the Act was being violated" or "with an intent to break the law."

Based on the allegations in the complaint and Mr. McNamara's admission that violations of the Act may have occurred regarding contributions to three federal candidate committees totaling \$11,000, it appears that he violated 2 U.S.C. §§ 441b(a) and 441f by consenting to corporate contributions and by knowingly assisting in the making of contributions in the name of

<sup>1</sup> News reports indicate that Complainant was indicted in May 1996 of defrauding GCC.

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others. Commission indices indicate that these contributions consisted of eleven \$1,000 contributions made by seven GCC employees. Austin McNamara is listed as the individual contributor of three of these contributions, and thus he also appears to have violated 2 U.S.C. § 441f by permitting his name to be used to effect contributions totaling \$3,000.

Mr. McNamara asserts, however, that the manner in which the contributions were made and GCC's documentation relating to them supports the view that there was never an illicit purpose or intent. The knowing and willful standard requires knowledge that one is violating the law. Federal Election Commission v. John A. Dramesi for Congress Committee, 640 F. Supp. 985, 987 (D. N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). In Hopkins, the court found that the defendant officers "knew that corporations could not make political contributions" and that an inference of a knowing and willful violation could be drawn "from the defendants' elaborate scheme for disguising their corporate political contributions" as individual contributions, and that they "deliberately conveyed information they knew to be false to the . . . Commission." Id. at 214-15. The court also found that the evidence did not have to show that a defendant "had specific knowledge of the regulations" or "conclusively demonstrate" a defendant's "state of mind," if there were "facts and circumstances from which the jury reasonably could infer that [the defendant] knew her conduct was unauthorized and illegal," Id. at 213 (quoting United States v. Bordelon, 871 F.2d 491, 494 (5th Cir.), cert. denied, 439 U.S. 838 (1989)).

Mr. McNamara does not provide any details of GCC's internal investigation in his response, except to list the recipient candidate committees and the amounts received by them.

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Nor does he challenge Complainant's description of events leading up to the reimbursements; for example, that he requested that Complainant write a \$1,000 check to the Dole Committee and deliver it to Barbara Sambrook; and that CFO Robert Loftus expressed concern about the legality of the reimbursements and stated that he would "bury" them in an expense account of the corporation that could not be traced. Mr. McNamara appears to have initiated the scheme by requesting contributions to certain campaign committees from his employees, and directing his assistant, Ms. Sambrook, to collect the contribution checks. He appears to have authorized all of the reimbursements, including the reimbursements to himself for his three \$1,000 contributions. The evidence suggests an intent by Mr. McNamara to circumvent the Act's prohibitions against corporate contributions and contributions made in the name of others, and is not adequately refuted by his flat denial that he acted knowingly and willfully.

Therefore, there is reason to believe that Austin T. McNamara knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f.

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**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

**August 9, 1996**

**Ron Murphy, Esq.**  
**Murphy & Willcutts**  
21 Oak St.  
Suite 602  
Hartford, CT 06106-8002

**RE: MUR 4286**  
**Robert Loftus**

**Dear Mr. Murphy:**

On December 12, 1995, the Federal Election Commission notified Robert Loftus, your client, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your client's former counsel, the Commission, on July 30, 1996, found that there is reason to believe that Robert Loftus knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f, and granted your client's request to enter into conciliation prior to a finding of probable cause to believe. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is 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 receipt of this letter. Where appropriate, statements should be submitted under oath.

As noted above, the Commission has also decided to offer 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 is a conciliation agreement that the Commission has approved.

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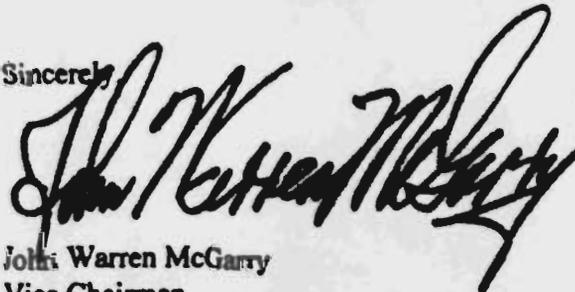
If you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond 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 matter to be made public.

If you have any questions, please contact Thomas J. Andersen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,



John Warren McGarry  
Vice Chairman

Enclosures  
Factual and Legal Analysis  
Conciliation Agreement

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**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT: Robert Loftus**

**MUR 4286**

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by Paul T. Cleveland ("Complainant") concerning allegations of violations by Robert Loftus, of the Federal Election Campaign Act of 1971, as amended (the "Act"). See 2 U.S.C. § 437g(a)(2).

Pursuant to 2 U.S.C. § 441b(a), corporations are prohibited from making contributions or expenditures from their general treasury funds in connection with any election of any candidate for federal office. In addition, section 441b(a) prohibits any officer or director of any corporation from consenting to any contribution or expenditure by the corporation. 2 U.S.C. § 441a(a)(1)(A) limits contributions by an individual to a federal candidate and the candidate's authorized political committees to \$1,000 per election. 2 U.S.C. § 441f makes it unlawful for any person to make a contribution in the name of another, or for any person to knowingly permit his or her name to be used to make such a contribution. Such a violation may occur if a person gives funds to a straw donor for the purpose of having the person or entity pass funds on to a federal candidate as his, her or its own donation. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii).

Complainant alleges that, on or about July 11, 1995, Austin T. McNamara, President of General Cigar Co., Inc. ("GCC"), handed him a slip of paper instructing him to write a personal check for \$1,000 to Dole for President, Inc. ("Dole Committee"). Complainant later spoke to Robert Loftus, Vice-President and Chief Financial Officer of GCC, who informed him that Mr. McNamara had previously required employees to contribute to federal election campaigns, citing

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the reelection campaign of Congressman Newt Gingrich in 1994. Mr. Loftus then allegedly advised Complainant that it would be in his "best interests" to comply with Mr. McNamara's wishes.

Complainant claims that, between July 12 and July 20, 1995, he was "pressured on multiple occasions" by Mr. McNamara and his Executive Assistant, Barbara Sambrook, to make the contribution. On July 20, he wrote out a \$1,000 check to the Dole Committee and, at Mr. McNamara's direction, he gave it to Ms. Sambrook. Complainant believes that his check was bundled together with checks from Mr. McNamara and two GCC vice-presidents, John Geoghegan and Brent Currier, and then sent to the Dole Committee. Complainant states that, on August 3, 1995, Mr. Loftus notified him and the three other alleged contributors through office "e-mail" at GCC that they would be reimbursed on August 8, 1995 for their personal contributions to the Dole Committee.

On August 7, 1995, when Complainant voiced his concern to Robert Loftus that the contributions were probably illegal, Mr. Loftus allegedly concurred and replied that he would "bury" the reimbursements of the contributions in an expense account of the corporation that could not be traced. The following day, Complainant received a check from GCC in the amount of \$1,000 as reimbursement for his personal contribution to the Dole Committee. The check remains uncashed in Complainant's possession.

According to the complaint, the following events have taken place since the reimbursement:

- On August 31, 1995, Complainant was suspended with pay by GCC, changed to suspension without pay on October 1, 1995.

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- On September 7, 1995, GCC filed a federal civil fraud and racketeering action against an Alabama trucking company in connection with an alleged marijuana smuggling ring and fraudulent trucking scheme. GCC alleged in that action that Complainant was criminally involved in such activity.
- On October 25, 1995, Complainant filed a civil lawsuit against GCC, alleging in the First Count that he was discharged in violation of public policy based on his stated intention to disclose, *inter alia*, the illegal campaign contributions.
- On November 15, 1995, Complainant was interviewed by staff from the SEC Enforcement Division regarding allegations in his lawsuit against GCC. Among the items discussed were the contributions to the Dole Committee.
- On November 25, 1995, Complainant received an unsolicited check from the Dole Committee in the amount of \$1,000, referenced as a "contribution refund."

Mr. Loftus's response indicates that GCC has filed suit against Complainant and a trucking business in Alabama and that a federal grand jury is investigating the matter.<sup>1</sup> The response notes that GCC has conducted an extensive internal investigation of the reimbursements, which has revealed that, in total, contributions of \$11,000 by individual employees to three federal candidate committees have been reimbursed by the company. The response states that such contributions "may have been made in a way that could constitute technical violations" of the Act, but were not made "with the knowledge that the Act was being violated" or "with an intent to break the law."

Based on the allegations in the complaint and Mr. Loftus's admission that violations of the Act may have occurred regarding contributions to three federal candidate committees totaling \$11,000, it appears that he violated 2 U.S.C. §§ 441b(a) and 441f by consenting to corporate contributions and by knowingly assisting in the making of contributions in the name of others.

<sup>1</sup> News reports indicate that Complainant was indicted in May 1996 of defrauding GCC.

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Mr. Loftus asserts, however, that the manner in which the contributions were made and GCC's documentation relating to them supports the view that there was never an illicit purpose or intent.

The knowing and willful standard requires knowledge that one is violating the law. Federal Election Commission v. John A. Dramesi for Congress Committee, 640 F. Supp. 985, 987 (D. N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). In Hopkins, the court found that the defendant officers "knew that corporations could not make political contributions" and that an inference of a knowing and willful violation could be drawn "from the defendants' elaborate scheme for disguising their corporate political contributions" as individual contributions, and that they "deliberately conveyed information they knew to be false to the . . . Commission." Id. at 214-15. The court also found that the evidence did not have to show that a defendant "had specific knowledge of the regulations" or "conclusively demonstrate" a defendant's "state of mind," if there were "facts and circumstances from which the jury reasonably could infer that [the defendant] knew her conduct was unauthorized and illegal," Id. at 213 (quoting United States v. Bordelon, 871 F.2d 491, 494 (5th Cir.), cert. denied, 439 U.S. 838 (1989)).

Mr. Loftus does not provide any details of GCC's internal investigation in his response, except to list the recipient candidate committees and the amounts received by them. Nor does he challenge Complainant's description of events leading up to the reimbursements; for example, that Mr. McNamara requested that Complainant write a \$1,000 check to the Dole Committee and deliver it to Barbara Sambrook; and that Mr. Loftus expressed concern about the legality of the reimbursements and stated that he would "bury" them in an expense account of the corporation

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that could not be traced. The evidence suggests an intent by Mr. Loftus to circumvent the Act's prohibitions against corporate contributions **and** contributions made in the name of others, **and** is not adequately refuted by his flat denial that he acted knowingly and willfully.

Therefore, there is reason to believe that Robert Loftus knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f.

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**FEDERAL ELECTION COMMISSION**  
**Washington, DC 20463**

*August 9, 1996*

**Jan Witold Baran, Esq.**  
**Wiley, Rein & Fielding**  
**1776 K St., N.W.**  
**Washington, D.C. 20006**

**RE MUR 4286**  
**Friends of Newt Gingrich and**  
**Briggs Goggans, as treasurer**

**Dear Mr. Baran:**

On January 24, 1996, the Federal Election Commission notified Friends of Newt Gingrich (the "Committee") and Briggs Goggans, as treasurer, your clients, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On July 30, 1996, the Commission found, on the basis of the information in the complaint, and information provided by you on behalf of your clients, that there is no reason to believe that Friends of Newt Gingrich and Briggs Goggans, as treasurer, violated any provision of the Act in this matter. Accordingly, the Commission has closed the file in this matter as it pertains to the Committee and Briggs Goggans, as treasurer.

This matter will become part of the public record within 30 days after it has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

Lois G. Lerner  
Associate General Counsel

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

August 9, 1996

Kenneth A. Gross, Esq.  
Douglas C. Wurth, Esq.  
Skadden, Arps, Slate, Meagher & Flom  
1440 New York Ave., N.W.  
Washington, DC 20005

RE MUR 4286  
Dole for President, Inc., and  
Robert E. Lighthizer, as treasurer

Dear Messrs. Gross and Wurth:

On January 24, 1996, the Federal Election Commission notified Dole for President, Inc., ("Committee") and Robert E. Lighthizer, as treasurer, your clients, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On July 30, 1996, the Commission found, on the basis of the information in the complaint, and information provided by your clients, that there is no reason to believe that Dole for President, Inc., and Robert E. Lighthizer, as treasurer, violated any provision of the Act in this matter. Accordingly, the Commission has closed the file in this matter as it pertains to the Committee and Robert E. Lighthizer, as treasurer.

This matter will become part of the public record within 30 days after it has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

Lois G. Lerner  
Associate General Counsel

97043775593

# Murphy Law Firm

*Advocates for People Injured or Accused*

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Bristol 800-685-1400  
Farmington 900-678-1800  
Hartford 800-727-1800

October 1, 1996

Atty. Thomas Andersen  
Office of General Counsel  
Federal Election Commission  
Washington, DC 20463

Re: **MUR 4286**  
**Robert Loftus**

Dear Attorney Andersen:

Cleveland's complaint marks the first time that anyone has ever accused Bob Loftus of misconduct. Bob denies the accusations and he will not participate in any conciliation agreement that states he knowingly or willfully violated any federal election laws because it is simply not true. As far as Cleveland's complaint pertains to Bob Loftus, it is nothing but distorted accusations from a desperate man soon to become a convicted felon for stealing \$889,000 from his former employer. The FEC should dismiss the complaint against Bob Loftus.

Bob has been a licensed Certified Public Accountant since 1981. He has always enjoyed a sterling reputation for integrity and honesty and he would never knowingly or intentionally engage in illegal activity.

Except for a two year period from 1986 to 1988, Bob has worked for General Cigar (GC) or one of its sister companies since 1977. He started as an assistant manager in the cost accounting department, worked his way through night school, got his CPA license, and was promoted to Director of Accounting. In 1988, he became GC's controller and in 1993 its Vice President of Finance and Chief Financial Officer (CFO), a position he holds today.

His responsibilities as CFO include overseeing the day-to-day budgeting and financial operations of GC, the major subsidiary of Culbro Corporation, with cash flows in the millions of dollars each month. And beginning in July of 1995, his responsibilities also included: 1) putting together a general business plan for the company; 2) responding to the many due diligence requests of a potential buyer of GC; 3) analyzing the financials of yet another potential buyer of GC in case the deal with the first potential buyer fell through; 4) participating in the investigation of Cleveland's embezzlement of almost \$900,000 from the company; and 5) evaluating and implementing new controls to prevent other embezzlements from GC in the future.

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October 1, 1996 - Page 2

In December 1995, when Cleveland filed his FEC complaint, he was in deep trouble. He had been suspended from GC without pay and was involved in a wrongful termination dispute with it. Cleveland also knew he was the subject of a federal criminal investigation, in part, because of Bob as Bob had initiated the embezzlement investigation and participated in it. Cleveland knew he would soon be indicted and the FEC complaint was an attempt to divert attention from himself to others. On 4/30/96, Cleveland was indeed indicted on 25 counts of mail fraud for embezzling \$889,000 from GC. He goes on trial in October.

In response to the specifics of Cleveland's accusations, Bob could not have told Cleveland on 7/11/95 about any contributions to the Gingrich re-election campaign because Bob did not even know about them then. Bob had nothing to do with the Gingrich contributions or their reimbursements.

With regard to the 8/3/95 e-mail, Bob sent it, but Cleveland takes it out of context and puts an unwarranted spin on it. The true facts are simple. The executives who made the Dole contributions had submitted requests for reimbursements. Each request was in writing and openly referred to the Dole contributions. One executive (Bob is not certain who) raised the issue of whether it was proper for a corporation to reimburse employees for political contributions. Bob did not know the answer as he had no prior experience with such issues. The mere possibility, however, that reimbursement could be improper caused Bob to want to delay any reimbursement until he could resolve the issue. But this placed Bob in a dilemma because company executives were requesting reimbursement, but he now also had a concern about whether the company could properly make such reimbursements.

To temporarily respond to the executives' requests, he sent the 8/3/95 e-mail and advised the executives that any checks would be treated as advances. From an accounting standpoint, advances would create accounts receivable on the company books and would be subject to being reclassified by Bob after he could resolve the propriety of reimbursement. The advances were then paid and within a month Bob thought the issues surrounding these Dole contributions were resolved as Austin McNamara had reimbursed the company for the advances.

There was nothing sinister about recording these transactions as advances. It certainly did not "bury" them. Moreover, it subjected them to greater scrutiny as advances are audited monthly at GC. They were and still are there for all to see. If Bob had wanted to circumvent the law and bury the transactions, he presumably could have done so; certainly, he would not have created the paper trail that exists to this day.

I hope this voluntary submission persuades the FEC to dismiss the complaint as far as Bob Loftus is concerned. Bob never knowingly or intentionally attempted to circumvent any federal election law. In fact, he did everything he could to make sure the company did not violate the law. When faced with just the possibility that reimbursement might be

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October 1, 1996 \* Page 3

improper, he booked the payments as advances and then persisted in exploring his concerns about whether the company could reimburse the executives. That persistence eventually lead GC's President to pay back the company for the advances.

If there is anything else you need in order to fully evaluate Bob's position, please let me know and I will try to accommodate any reasonable request.

Thank you for your consideration.

Cordially,



Ron Murphy

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October 2, 1996

VIA HAND DELIVERY

Lisa Klein, Esq.  
Tom Andersen, Esq.  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 4286 - General Cigar Co., et al.

Dear Lisa and Tom:

Through recent correspondence, the Federal Election Commission ("Commission" or "FEC") has notified the General Cigar Company, Inc.<sup>1</sup> ("General Cigar" or the "Company"), its employees Austin T. McNamara, Robert Loftus, John Rano, Frank Fina, William B. ("Brent") Currier, and Michael Conder,<sup>2</sup> and former General Cigar employee David Burgh, that it has found reason to believe they violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("FECA"). Enclosed as Enclosure 1 are Designations of Counsel for John Rano, Frank Fina, Brent Currier, and David Burgh. Also, Barbara Sambrook, Austin McNamara's secretary, has been noticed in a reason to believe finding.

<sup>1</sup> Manufacturer of cigar brands such as Macanudos and Partegas.

<sup>2</sup> While Mr. Conder has not received notification of a reason to believe finding, we understand that he was included in the findings against the other General Cigar employees. We are in the process of receiving a Designation of Counsel from him so that we can accept service on his behalf.

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Lisa Klein, Esq.  
Tom Andersen, Esq.  
October 2, 1996  
Page 2

After our recent meeting in response to the Commission's offer of conciliation, you invited General Cigar to submit a response that might assist the Commission in resolving this matter. We also discussed the possibility of the counsel for Austin McNamara and Robert Loftus submitting separate responses. In particular, this letter addresses our grave concern over the Commission's initial characterization of the conduct in this case as "knowing and willful." Any violation that may have occurred in this case was unwitting and certainly not knowing and willful under any interpretation. This response is on behalf of General Cigar. Please note that to the extent these proceedings involve Messrs. Fina, Currier, Burgh, Rano and Conder, and Ms. Sambrook, those actions, per our agreement, are to be held in abeyance until we attempt to settle this matter with the other respondents.

**I. Factual Background**

There are three occasions in which General Cigar executives made campaign contributions that were reimbursed by the Company. These contributions were made to Representative Newt Gingrich's and Representative Sam Gibbon's campaign for re-election and Senator Robert Dole's Presidential campaign.

**A. 1994 Contributions to Friends of Newt Gingrich**

In August 1994, Robert Franzblau, the Chief Executive Officer of Thompson and Company, a retail mail order company that carries General Cigar products, invited Austin T. McNamara to a fundraiser for Representative Newt Gingrich that he was hosting. The suggested contribution was \$1,000. Mr. Franzblau also asked Mr. McNamara if he would solicit contributions from other General Cigar employees.

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Tom Andersen, Esq.  
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Mr. McNamara subsequently asked General Cigar executives to make contributions to the Gingrich campaign. Mr. McNamara approached David Burgh, Chairman of General Cigar (the former company president who had recently retired), John Rano, Senior Vice-President for Marketing, Brent Currier, Vice-President for Sales, and Michael Conder, Southeastern Sales Manager. Mr. McNamara told the individuals that the Company would reimburse them for their contributions. Consequently, beginning at the end of August 1994 and through the middle of September 1994, these individuals and Mr. McNamara contributed \$1,000 each to Friends of Newt Gingrich.

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During the last part of September 1994, Messrs. Rano, Conder, Currier, Burgh and McNamara each submitted check requisition vouchers to General Cigar's accounting department, together with a copy of the check each had written, for purposes of reimbursement. The checks were made payable to the "Friends of Newt Gingrich." The vouchers stated either that the reimbursements were for a "charity contribution" or a "donation to Friends of Newt Gingrich." Copies of the checks and vouchers are enclosed as Enclosure 2. The vouchers referred to "charity contributions" or "donations" because under General Cigar's accounting procedures, that is the name of the account, i.e., Account # 9-9810-910 ("Donations/Contributions"), where the Company books such charges. As demonstrated by the enclosed invoices for the reimbursement checks, the Company classified and recorded the reimbursements as reimbursements for donations. See Enclosure 2. Shortly after the vouchers were submitted, each of the contributors received a company check, each in the amount of \$1,000.

As reflected in the above accounting records, in response to Mr. Franzblau's request, Mr. McNamara sought and obtained five \$1,000 personal contributions from himself and the four other executives. Although Mr. McNamara was aware generally of the \$1,000 contribution limit, he and the other contributors were unaware that the reimbursement of those contributions was prohibited.

Lisa Klein, Esq.  
Tom Andersen, Esq.  
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**B. 1995 Contribution to Committee for Sam Gibbons**

In late February 1995, Edgar M. Cullman, Sr., the Chairman of the Board of Culbro, General Cigar's parent company, received a letter from Representative Sam M. Gibbons inviting Mr. Cullman to a Gibbons fundraiser and suggesting a contribution of \$1,000. Mr. Cullman, Sr. forwarded a copy of this letter to Mr. McNamara.

On April 5, 1995, Mr. McNamara sent Congressman Gibbon's campaign a personal contribution of \$1,000. Mr. McNamara, still not knowing that reimbursements are prohibited, sent a copy of this contribution check and the cover letter that accompanied the check to the Company's accounting department for purposes of reimbursement. On or about April 11, 1995, Mr. McNamara received from the Company a check payable to him for \$1,000. See Enclosure 3. As with the Gingrich contributions, this reimbursement was recorded in the books of General Cigar as a donation.

**C. 1995 Contributions to Dole for President**

In or around July 1995, Mr. McNamara had a conversation with Mr. Franzblau about the cigar business. During the course of the conversation, Mr. Franzblau discussed with Mr. McNamara the importance of getting involved with the Dole Presidential campaign. Consequently, Mr. McNamara again asked several executives to make personal contributions to Senator Dole's Presidential campaign. Specifically, Mr. McNamara approached Messrs. Rano, Currier, Pina and Mr. Paul Cleveland, and asked them to contribute. Mr. McNamara indicated that the executives would be reimbursed as had been the case with the Gingrich contributions. During July 1995, Mr. McNamara and these individuals each made a personal contribution of \$1,000 to "Bob Dole for President."

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Lisa Klein, Esq.  
Tom Andersen, Esq.  
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Page 5

On July 25 or 26, 1995, Mr. Currier submitted an expense report requesting reimbursement for his contribution to the Dole campaign. The report specifically stated that the requested reimbursement was for a "Donation To Bob Dole For President." See Enclosure 4. At some point, the request was approved and a General Cigar check dated July 27, 1995 for \$1,000 payable to Mr. Currier was then generated, forwarded to Mr. Currier and deposited into his bank account. There is no evidence that any of the other Dole contributors received such straight out reimbursement checks.

Rather, sometime during the last week of July, some of the contributors asked Mr. Robert Loftus, Vice-President of Finance, about the status of the reimbursement checks for the Dole contributions. This was the first time Mr. Loftus became aware of any actual or requested reimbursements for political contributions. After being made aware of these requests for reimbursements, Mr. Loftus told Mr. Robert Wright, an employee in the Company's financial department, that the forms seeking reimbursement should be forwarded to him for approval.

Shortly before August 2, 1995, Mr. Loftus spoke with some of the contributors and as a result of these conversations, Mr. Loftus became concerned that there may be a violation of corporate policy or even a violation of law. Although Mr. Loftus himself does not recall specifically which contributor, it appears that Mr. Fina indicated to Mr. Loftus that he was not sure that reimbursement of political contributions was proper. Mr. Loftus immediately thereafter told Mr. McNamara that he thought that the reimbursements might be improper and proposed that the reimbursement checks be converted to advances by booking the charges to an account named "Advances," i.e., Account # 9-1764-099. By treating the checks in this way, Mr. Loftus understood that the monies were no longer a corporate obligation on the books of General Cigar and that the employees would be obligated to repay the advances if the contributions were found to be unlawful or

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Lisa Klein, Esq.  
Tom Andersen, Esq.  
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violative of corporate policy. It was a way to escrow the payments as an accounting matter.

After speaking to Mr. McNamara, Mr. Loftus instructed Mr. Wright to reclassify the checks as advances and not to book them as expenses. Since Mr. Wright soon ascertained that the original checks had not yet been entered into the general ledger as expenses, Mr. Loftus had new paperwork prepared treating the payments as advances.

On August 3, 1995, Mr. Wright filled out new voucher forms which explicitly noted that the payment of Company funds to the contributors were "advances." These payment vouchers were authorized by both Mr. Wright and Mr. McNamara. Also on August 3, Mr. Loftus sent an e-mail message to Messrs. McNamara, Currier, Cleveland and Geoghegan,<sup>3</sup> informing them that they would receive their checks on August 8 and the checks would be treated as advances. The accounting department then generated company checks dated August 8, 1995, for \$1,000 each payable to Messrs. McNamara, Cleveland, Currier, Rano and Fina.<sup>4</sup> The stubs attached to each of the checks reflected that they were for advances, not reimbursements.<sup>5</sup> See Enclosure 5.

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<sup>3</sup> Mr. Loftus sent the e-mail to Mr. Geoghegan by mistake.

<sup>4</sup> Mr. Cleveland has never deposited his check, and a stop payment was placed on it on November 30, 1995.

<sup>5</sup> Since Mr. Currier had already received and deposited his reimbursement check dated July 27, his check dated August 8 was voided. In addition, the July 27 payment was reclassified as an advance. Accordingly, the Company's donation account was credited \$1,000 and its advance account was debited \$1,000.

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Lisa Klein, Esq.  
Tom Andersen, Esq.  
October 2, 1996  
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**II. The Conduct at Issue Was Not "Knowing and Willful"**

In order to proceed under Section 437g(a)(5)(B), the Commission must conclude that the subject violations were "knowing and willful." The facts refute this conclusion. Generally, the Commission has found that the "knowing and willful" standard requires that the wrongdoer has knowledge of the law and with that knowledge, still undertakes actions which constitute a violation of that law.

Here, the facts show that neither the Company nor any of its employees understood the legal ramifications of their actions. With respect to the Gingrich and Gibbons contributions, neither the Company nor its employees understood that the Company's reimbursement of its employees' personal contributions was prohibited. In fact, given that the vouchers stated that the reimbursements were for charity contributions or donations, it seemed perfectly logical and appropriate to charge those reimbursements to the Company's expense account that covers such contributions and donations. As for the Dole contributions, the Company, as soon as it suspected that reimbursements might be improper, acted promptly and reasonably to prevent any further legal implications.

The fact that the participants engaged in the subject conduct openly -- without any attempt to conceal or disguise the payments or the reimbursements -- is further compelling evidence that the contributions were undertaken without a knowledge of, or intent to violate, the law. Mr. McNamara did not make his requests to the individual contributors in secret and never suggested that the contributors should conceal the reimbursements.

The check vouchers for the Gingrich contributions sent to the accounting department for the reimbursements were completely forthright on their face; there were no efforts to hide the purpose of the requests. The forms explicitly stated that the reimbursements were for contributions to the Friends of Newt

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Lisa Klein, Esq.  
Tom Andersen, Esq.  
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Page 8

Gingrich campaign and attached copies of the contributors' personal checks payable to "Friends of Newt Gingrich." There is also no indication that the Company intentionally tried to violate FECA. It is apparent from the invoices for the reimbursement checks that the Company categorized these contributions with other charitable donations. See Enclosures 2. None of the individual employees made even the slightest effort to disguise or conceal the payments in any way, a fact clearly demonstrative of an innocent state of mind.

Similarly, in connection with the Gibbons contribution, Mr. McNamara submitted a copy of the check he made payable to "Committee for Sam Gibbons" to the accounting department when he sought reimbursement. Mr. McNamara again acted in an open and notorious manner. He made no effort to conceal his contribution to the Gibbons campaign or his reimbursement for such contribution.

The circumstances regarding the contributions to the Dole campaign are also consistent with an innocent, unintentional violation. It was not until late July or early August 1995 that Mr. Loftus became aware of and concerned that the reimbursements might be improper or in contravention of corporate policy. Mr. Loftus immediately conveyed these concerns to Mr. McNamara. At that point, the individuals had made their contributions to the Dole campaign, and the Company had distributed only one of the reimbursement checks which was distributed before Mr. Loftus became aware of the reimbursement requests.

In this context, Mr. Loftus, after consulting with Mr. McNamara, instructed Mr. Wright to prepare new paperwork and checks treating the payments as advances. Seeking to restore the status quo ante, Mr. McNamara reimbursed the Company \$5,000 on September 1, 1995 from his personal funds. Thereafter and prior to the filing of complaint in this matter, General Cigar requested refunds of all contributions which resulted in reimbursements, with the exception of Mr. Paul Cleveland.

97043775604

Lisa Klein, Esq.  
Tom Andersen, Esq.  
October 2, 1996  
Page 9

Although in hindsight, it is evident that this strategy was an imperfect solution, the reclassification of the checks from reimbursements to advances did accomplish one important thing: it altered the fundamental character of the company's payments to the employees. Once the payments were reclassified as advances, they were no longer an expense or obligation of the company. At that point, they became the personal obligations of the individuals who received the advances. Rather than receiving reimbursements, the employees were effectively the beneficiaries of a corporate advance which would have to be repaid in due course.

This strategy was also intended only as a temporary solution. If it turned out that the contributions were unlawful, the individual employees would pay back the advance and no corporate monies would have been contributed. If, on the other hand, the contributions were determined to be legal, the advances could be converted to reimbursements.

This case is without any of the indicia which typically accompany a knowing and intentional violation. There were no surreptitious means employed here to conceal conduct; no use of "dummies" or intermediaries through which to pass contributions, no efforts to disguise the reimbursements or to make payments through a cash slush fund. Indeed, rather than burying the contributions, the contributions were booked in the Company's advance account which is subject to monthly review by the Company's controller. Every step was conducted openly, plainly and in light of day, a fact entirely inconsistent with a deliberate, intentional violation.

Finally, it bears noting that the amounts involved were relatively small. Although this fact alone is not a defense, it is further evidence that the violations were unintentional and a mitigating factor. Had the individual employees deliberately intended to funnel money to these campaigns in violation of federal law, one must question why they would have taken this risk when the amounts involved were so small. Indeed, the contri-

97043775605

Lisa Klein, Esq.  
Tom Andersen, Esq.  
October 2, 1996  
Page 10

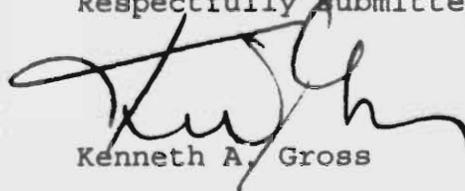
butions were within the limits that a corporate PAC could give to a candidate.

**III. Conclusion**

In light of these factors as well as the fact that refunds of the contributions at issue in this MUR have been sought from the various campaigns and General Cigar has implemented a comprehensive compliance program to prevent future problems, we respectfully request that conciliation proceed without a finding of knowing and willful. Indeed, consistent with General Cigar's unfamiliarity with FECA provisions is the fact that the Company is not politically active. General Cigar does not have a government affairs office and none of its employees engage in lobbying activity.

After you review this submission, I look forward to meeting with you personally to discuss any of these issues at greater length and attempt to come to an agreement in settling this matter.

Respectfully submitted,



Kenneth A. Gross

Enclosures

97043775606

97043775607

**Enclosure 1**

**STATEMENT OF DESIGNATION OF COUNSEL**

**NR** 4286

**NAME OF COUNSEL:** Kenneth A. Gross

**ADDRESS:** Skadden, Arps

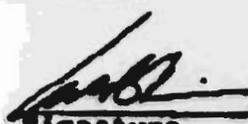
1440 New York Avenue, N.W.

Washington, D.C. 20005

**TELEPHONE:** (202) 371 7007

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.

9/26/96  
**Date**

  
**Signature**

**RESPONDENT'S NAME:** William Scott Overler

**ADDRESS:** 320 West Mainbury Road

Bloomfield, CT 06002

**HOME PHONE:** \_\_\_\_\_

**BUSINESS PHONE:** (302) 769-3613

97043775608

STATEMENT OF DESIGNATION OF COUNSEL

**MJR** 4285

**NAME OF COUNSEL:** Kenneth A. Gross

**ADDRESS:** Spalden, Arpa

1440 New York Avenue, N.W.

Washington, D.C. 20005

**TELEPHONE:** (202) 371-7007

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.

**Date** 9/26/96

John M. Reno  
**SIGNATURE**

**RESPONDENT'S NAME:** John M. Reno

**ADDRESS:** 320 West Newberry Road

Bloomfield, CT 06002

**HOME PHONE:** \_\_\_\_\_

**BUSINESS PHONE:** (302) 769-3600

97043775609

08/28/86 THU 10:40 FAX 600 700 3070  
SENT BY:

GENERAL STATE CO  
9-26-86 11:00AM :CLEANED COPY. - LEGAL-

**STATEMENT OF RESIGNATION OF COUNSEL**

NAME: \_\_\_\_\_  
NAME OF COUNSEL: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
TELEPHONE: \_\_\_\_\_

Kenneth A. Gross  
Partner, Dept  
1400 New York Avenue, N.W.  
Washington, D.C. 20004  
(202) 371-7007

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.

9/26/76

*[Signature]*  
STATEMENT

RESPONDENT'S NAME: David Birch  
ADDRESS: 200 Pine Valley Road  
Blairsville, GA 30512  
HOME PHONE: 864-673-5404  
BUSINESS PHONE: (304) 762-3400

9704377561C

STATEMENT OF DESIGNATION OF COUNSEL

MR 4286

NAME OF COUNSEL: ROBERT A. GROSS

ADDRESS: WASHDC, ADCS  
1440 New York Avenue, N.W.  
Washington, D.C. 20005

TELEPHONE: (202) 371-7007

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.

10-1-96  
Date

Frank Fina  
Signature

RESPONDENT'S NAME: Frank G. Fina

ADDRESS: 320 West Main Street  
Bloomfield, CT 06002

HOME PHONE: \_\_\_\_\_

BUSINESS PHONE: (203) 769-3600

97043775611

9 / 0 4 3 7 7 5 6 1 2

**Enclosure 2**

VENDOR NO.  
01-049709



General Cigar Co., Inc.

a company of  
Culbro Corporation



CHECK DATE BANK CHECK NO.  
09/26/94 050794

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
09/26/94	DONATION		\$1,000.00		\$1,000.00
			TOTAL GROSS AMOUNT	TOTAL DISCOUNT	TOTAL NET
					\$1,000.00

PLEASE DETACH BEFORE DEPOSITING

10



General Cigar Co., Inc.

320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  
Culbro Corporation



62-25  
311

0267-09

050794

09/26/94 050794  
CHECK DATE BANK CHECK NO.

97043756

\*\*\*ONE THOUSAND DOLLARS AND 00/XXX  
DOLLARS CENTS

AUSTIN CHANARA

CHEMICAL BANK DELAWARE  
1201 Market Street  
Wilmington, Delaware 19801

CHECK AMOUNT  
\*\*\*\$1,000.00\*\*\*

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

NON NEGOTIABLE

⑆050794⑆ ⑆031100267⑆ 63014026?? 509⑆

General Cigar Co., Inc.

Accounts Payable Voucher Apron

AUSTIN McNAMARA

Vendor Name

Vendor #		Due Date		Batch#		Vo. #	
3	10	15	20	21	25	26	30
010447109		092694		09034		17851	

SEPT 94

Accounting Month

- \* TC
- 32 Regular
- 35 Credit
- 34 Debit Offset
- 37 Credit Offset
- 30/33 Manual
- 30/36 Manual Credit

* TC	Line #	Invoice #	Invoice Date	Sp. Hand.	Bank	Gross Amount	Account #					
							Co.	A/C	CC	Prom		
12	313233		4041		46	58		6566				77
32	01	DONATION	092694			1000.00	099819918					
	02					0						
	03					0						
	04					0						
	05					0						
	06					0						
	07					0						
	08					0						
	09					0						
	10					0						
	11					0						
	12					0						
	13					0						
	14					0						
	15					0						
	16					0						
	17					0						
	18					0						
	19					0						
	20					0						

RECEIPT NOT REQUIRED

Handwritten initials in a circle.

Manual Checks Only			
* TC	Line #	Check #	Check Amt.
12	313233		3839
	01		
	02		
	03		
	04		
	05		
	06		
	07		
	08		
	09		
	10		
	11		
	12		
	13		
	14		
	15		
	16		
	17		
	18		
	19		
	20		

Handwritten text: "RECEIVED" and "1994".

ACCOUNTS PAYABLE

SEP 28 1994

Return Check and/or Vo. To:

Name

Dr. Amount \$ 1000.00

Cr. Amount \$ -

Net Check Amt. \$ 1000.00

Prepared by: [Signature] Date: 9-26-94

Approved by: [Signature]

Page 1 of 1

7204375614

VOUCHER NO.

DATE 9-26-94

PLEASE FORWARD CHECK FOR \$ 1000.00

TO: A. McNamara

ADDRESS

FOR: DONATION FOR FRIENDS OF NEWT GINGRICH

CHARGE CODE NO.

99-9810-910

1000.00



AUTHORIZED BY

*[Signature]*

1031

97043775615

MANUAL

AUSTIN T. McNAMARA  
LUCY B. McNAMARA

PAY TO THE ORDER OF

Friends of Newt Gingrich \$ 1000.00

one thousand

Shawmut Bank  
Hartford, Connecticut

MEMO

*[Signature]*

0980

51-44/119

VENDOR NO.  
01-011540



General Cigar Co., Inc.

a company of  
Culbro Corporation



CHECK DATE | BANK CHECK NO.  
09/27/94 | 1M-051110

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
09 26 94	DONATION	09029-17716	1,000.00	.00	1,000.00
			1,000.00	.00	1,000.00
			TOTAL GROSS AMOUNT	TOTAL DISCOUNT	TOTAL NET

PLEASE DETACH BEFORE DEPOSITING



General Cigar Co., Inc.

320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  
Culbro Corporation



02-26  
317

0267-05

051110

CHECK DATE | BANK CHECK NO.  
09/27/94 | 1M-051110

\*\*\*\*\*1,000.00\*  
DOLLARS CENTS

DAVID W BURG

CHECK AMOUNT  
\$1,000.00

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

NON NEGOTIABLE

CHEMICAL BANK DELAWARE  
1201 Market Street  
Wilmington, Delaware 19801

⑈051110⑈ ⑆031100267⑆ 6301402677 509⑈

9704375



VOUCHER NO.

DATE 9-26-94

PLEASE FORWARD CHECK FOR \$ 1000.00

TO D. Burgh

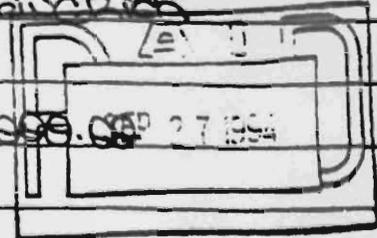
ADDRESS

FOR DONATION TO FRIENDS OF NEWT GARDEN

CHARGE CODE NO. 1

09-9810-910

1000.00 27 1994



AUTHORIZED BY

*[Signature]*

97043775618

9810-910

DAVID W. BURGH  
SHIRLEY A. BURGH

51-57  
118

273

PAY TO THE  
ORDER OF

*Friends of Newt Garden*

*Aug. 31 19 94*

\$ 1000.00

*One thousand and 00/100*

DOLLARS



MEMO Co. Cont.

*[Signature]*

VENDOR NO.  
01-012903



General Cigar Co., Inc.

a company of  
Culbro Corporation



CHECK DATE	BANK CHECK NO.
09/27/94	1M-051112

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
09 26 94	DONATION	09029-17714	1,000.00	.00	1,000.00
			1,000.00	.00	1,000.00
			TOTAL GROSS AMOUNT	TOTAL DISCOUNT	TOTAL NET

PLEASE DETACH BEFORE DEPOSITING



General Cigar Co., Inc.

320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  
Culbro Corporation



62-26  
311

0267-09

051112

09/27/94	1M-051112
CHECK DATE	BANK CHECK NO.

\*\*\*\*\*1,000.00\*  
DOLLARS CENTS

WILLIAM B. CURRIER

CHECK AMOUNT
\$1,000.00

AMOUNTS IN EXCESS OF \$8000.00  
MUST BE COUNTERSIGNED

**NON NEGOTIABLE**

CHEMICAL BANK DELAWARE

1201 Market Street  
Wilmington, Delaware 19801

⑈051112⑈ ⑆031100267⑆ 6301402677 509⑈

97043775

905-A-P-1

William B. CURRIER

Vendor Name

General Cigar Co., Inc.  
Accounts Payable Voucher Apron

# TC	
32	Regular
35	Credit
34	Debit Offset
37	Credit Offset
30/33	Manual
30/36	Manual Credit

Vendor #		Due Date		Batch#		Vo. #	
3	10	15	20	21	25	26	30
01018903		092794		09029		17714	

SEPT 94  
Accounting Month

# TC	Line #	Invoice #	Invoice Date
12	31		
32	01	DONATION	092694
	02		
	03		
	04		
	05		
	06		
	07		
	08		
	09		
	10		
	11		
	12		
	13		
	14		
	15		
	16		
	17		
	18		
	19		
	20		

Sp	Bank
49	50 51

Gross Amount	Account #			
	Co	A/C	CC	Prom
58	65	66		77
1000.00	0998189118			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			

Manual Checks Only			
# TC	Line #	Check #	Check Amt.
12	31	32 33	38 39
	01		
	02		
	03		
	04		
	05		
	06		
	07		
	08		
	09		
	10		
	11		
	12		
	13		
	14		
	15		
	16		
	17		
	18		
	19		
	20		

ENTERED  
SEP 26 94  
ACCOUNTS PAYABLE

PAID  
SEP 27 1994

Return Check and/or Vo. To:

Name

Dr. Amount \$ 1000.00

Cr. Amount \$ -

Net Check Amt \$ 1000.00

Prepared by: *[Signature]* Date: 9-26-94

Approved by: *[Signature]*

Page 1 of 1

VOUCHER NO. \_\_\_\_\_ DATE 9/26/94

PLEASE FORWARD CHECK FOR \$ 1000.00

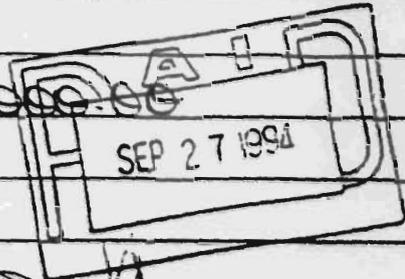
TO B. CURRIER

ADDRESS \_\_\_\_\_

FOR DONATION FOR FRIENDS OF NEWT GINGRICH

CHARGE CODE NO. \_\_\_\_\_

09-9810-910 1000.00



AUTHORIZED BY BD

97043775621

9810-910

SUZANNE L. CURRIER  
WILLIAM B. CURRIER

1623

Aug. 29 1994

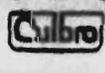
Pay to the order of FRIENDS OF NEWT GINGRICH \$ 1000.00

ONE THOUSAND DOLLARS & NO 100 Dollars

SHAWMUT  
SHAWMUT BANK  
BOSTON, MASSACHUSETTS

For \_\_\_\_\_  
[Redacted signature area]

VENDOR NO.  
010 60820

 **General Cigar Co., Inc.** a company of **Culbro Corporation** 

CHECK DATE | BANK CHECK  
09-20-94 | 050787

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
09-19-94	091984		\$1,000.00		\$1,000.00
			<b>TOTAL GROSS AMOUNT</b>	<b>TOTAL DISCOUNT</b>	<b>\$1,000.00</b>
					<b>TOTAL NET</b>

97043775622

PLEASE DETACH BEFORE DEPOSITING

11

 **General Cigar Co., Inc.**  
320 West Newberry Rd.  
Bloomfield, CT 06002-1398  
a company of **Culbro Corporation** 

62-21 | 0267-09  
311

**050787**

\*\*\*One Thousand Dollars and 00/xxx\*\*\*  
DOLLARS CENTS

09-20-94 | 050787  
CHECK DATE | BANK CHECK NO.

John Reno

CHECK AMOUNT  
\*\*\*\$1,000.00\*\*\*

**CHEMICAL BANK DELAWARE**  
1201 Market Street  
Wilmington, Delaware 19801

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED  
**NON NEGOTIABLE**

⑆050787⑆ ⑆031400267⑆ 6301402677 509⑆

General Cigar Co., Inc.

Accounts Payable Voucher Apron

\* TC

- 32 Regular
- 35 Credit
- 34 Debit Offset
- 37 Credit Offset
- 30/33 Manual
- 30/36 Manual Credit

John Pano  
Vendor Name

Vendor #		Due Date		Batch#		Vo. #	
3	10	15	20	21	25	26	30
01060820		092094		09036		1999	

September 1994  
Accounting Month

# TC	Line #	Invoice #	Invoice Date	Sp. Hand	Bank	Gross Amount	Account #				
							Co.	A/C	CC	Prom	
12	31 32 33		40 41	46	49 50 51	58	65 66				77
32	01	091994	091994			100000	0	99810910			
	02						0				
	03						0				
	04						0				
	05						0				
	06						0				
	07						0				
	08						0				
	09						0				
	10						0				
	11						0				
	12						0				
	13						0				
	14						0				
	15						0				
	16						0				
	17						0				
	18						0				
	19						0				
	20						0				

Manual Checks Only											
* TC	Line #	Check #		Check Amt.							
12	31 32 33		38 39								46
	01	050787		100000							
	02										
	03										
	04										
	05										
	06										
	07										
	08										
	09										
	10										
	11										
	12										
	13										
	14										
	15										
	16										
	17										
	18										
	19										
	20										

Return Check and/or Vo. To:

A. Straley  
Name

Dr. Amount \$ 1,000.00  
Cr. Amount \$ —  
Net Check Amt. \$ 1,000.00

2795198.00 + 6

Prepared by: RA Date: 9-20-94

Approved by: \_\_\_\_\_

Page 1 of 1

VOUCHER NO. \_\_\_\_\_

DATE 9-2-94

PLEASE FORWARD CHECK FOR \$ 1,000.00

TO John Rano

ADDRESS \_\_\_\_\_

FOR Charity contribution To who?

CHARGE CODE NO. \_\_\_\_\_

AUTHORIZED BY [Signature]

97043775624

DONE ON 9/20

JOHN M. RANO		51-57 119	185
[Redacted]		<u>8/31</u>	19 <u>94</u>
PAY TO THE ORDER OF	<u>FRIENDS OF NEWT GIBRICH</u>	\$	<u>1,000.00</u>
<u>One thousand</u>			DOLLARS
 <b>Fleet Bank</b> <small>Member FDIC</small>		<u>[Signature]</u>	
MEMO	[Redacted]		

VENDOR-NO.  
01-016130

 **General Cigar Co., Inc.** a company of  Culbro Corporation

CHECK DATE	BANK CHECK NO.
09/26/94	050793

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
09/26/94	DONATION		1,000.000		\$1,000.00
					\$1,000.00
TOTAL GROSS AMOUNT			TOTAL DISCOUNT	TOTAL NET	

PLEASE DETACH BEFORE DEPOSITING

 **General Cigar Co., Inc.**  
320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  Culbro Corporation

62-25 0267-09  
311

 **050793**

09/26/93	050793
CHECK DATE	BANK CHECK NO.

\*\*\*ONE THOUSAND DOLLARS AND 00/XXX\*\*\*  
DOLLARS CENTS

MICHAEL CONDER

CHECK AMOUNT  
\*\*\*\$1,000.00\*\*\*

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

**NON NEGOTIABLE**

**CHEMICAL BANK DELAWARE**  
7201 Market Street  
Wilmington, Delaware 19801

⑆050793⑆ ⑆031100267⑆ 63014026?? 509⑆

9704375625

21



VOUCHER NO. \_\_\_\_\_

DATE

9-26-94

PLEASE FORWARD CHECK FOR \$

1000.00

TO

WILLIAM CONDER (MICHAEL)

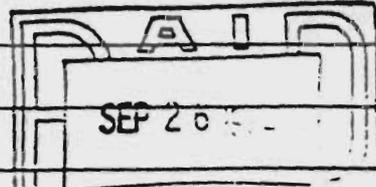
ADDRESS \_\_\_\_\_

FOR

DONATION FOR FRIENDS OF NEWT CONGRICH

CHARGE CODE NO.

89-9810-910



AUTHORIZED BY

*[Signature]*

91043775627

7-30  
MANUAL

WILLIAM M. CONDER

1/90

1467

63-489/871  
39

9/7 '94

PAY TO THE ORDER OF

FRIENDS OF NEWT CONGRICH \$ 1000.00

One Thousand

DOLLARS



945-839  
18000 North Dale Mabry  
Tampa, Florida 33618

FOR

*[Signature]*

9 1 0 4 3 7 7 5 6 2 8

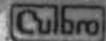
**Enclosure 3**

01-049739



General Cigar Co., Inc.

a company of Culbro Corporation



04/11/95

14-054

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
04-05-95	SANXBB	04007-21169	1,000.00	.00	1,000.00
			<b>1,000.00</b>	<b>.00</b>	<b>1,000.00</b>
			<b>TOTAL GROSS AMOUNT</b>	<b>TOTAL DISCOUNT</b>	<b>TOTAL NET</b>

PLEASE DETACH BEFORE DEPOSITING



General Cigar Co., Inc.  
320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of Culbro Corporation



62-25  
311

0267-09

G 054653

\*\*\*\*\*1,000.00\*  
DOLLARS CENTS

AUSTIN MCNAMARA



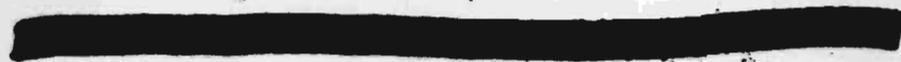
04/11/95 14-054  
CHECK DATE BANK CHECK

CHECK AMOUNT  
\$1,000.00

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

**NON NEGOTIABLE**

CHEMICAL BANK DELAWARE  
1201 Market Street  
Wilmington, Delaware 19801



97043775629



 **General Cigar Co., Inc.**

320 West Newberry Road  
Bloomfield, CT 06002-1398  
203/769-3600  
Telex: 325396  
Cable: CULBROCORP NYX

a company of  
Culbro Corporation



**Austin T. McNamara**  
President  
(TEL) 203/769-3601  
(FAX) 203/769-3675

April 5, 1995

**Sam M. Gibbons**  
Member of Congress  
U.S. House of Representatives  
P.O. Box 2884  
Washington, D.C. 20013

Dear Representative Gibbons:

I am pleased to enclose a personal contribution to the Committee for Sam Gibbons. The challenges facing the cigar industry are formidable, and I would like to support you as a leader in understanding the personal freedoms and personal pleasures that cigar smoking represents.

We are hoping that a balanced, reasonable perspective can be maintained as it relates to cigar smoking. We encourage you to continue to fight against unreasonable encroachment on citizen's individual rights. As always, if I can be of any help either personally or professionally, please don't hesitate to call.

Sincerely,

  
**Austin T. McNamara**

ATM/b

Enclosure

bcc: E. Cullman  
E. Cullman, Jr.

(27)

97043775631

9 1 0 4 3 7 7 5 6 3 2

AUSTIN T. MCNAMARA  
LUCY B. MCNAMARA

01-00110

1827

PAY TO THE  
ORDER OF

41 095  
Committee For Sane Gibbons \$ 1000<sup>00</sup>

one thousand

XXX DOLLARS  
00



Shawmut Bank

Hartford, Connecticut

MEMO

And

(28)

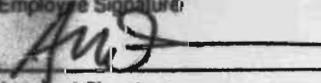
91043775633

**Enclosure 4**

**General Cigar Co., Inc.**  
**Travel and Entertainment Report**

33

Name of Employee		Dept. Name		Period Covered						
W. BROT CARRIER		SALES		From: 7/25 To:						
ITINERARY		TRANSPORTATION		HOTEL & MEAL EXPENSES			MISC. (B)	TOTALS		
Date	Location & Purpose	Airfare, Pk. Tolls, Taxi	Other	Room	Laundry/ Valet	Meals (A)				
						B	L	D		
7/25	BLOOMFIELD - DONATION TO BOB DOLE FOR PRES. 1997 (SEE ATN)								1000	1000
TOTALS:		\$	\$	\$	\$	\$	\$	\$	\$	\$ 1000

  
 Employee Signature: \_\_\_\_\_ Date: 7/25/95  
  
 Approval Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**ENTERED**  
 JUL 26 1995

Less: Advances \$ ( )  
 TOTAL DUE: \$ 1000

Note: Space is provided on back for additional information and/or comments relating to (A) & (B) above.

97045175634

97043775635

**Enclosure 5**

VENDOR NO  
01-018903



General Cigar Co., Inc. a company of  
Culbro Corporation



CHECK DATE BANK CHECK NO  
08/08/95 14-057877

INVOICE DATE	INVOICE NO	MATCH NO	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
08-03-95	8795-401	08006-24025	1,000.00	.00	1,000.00
			<b>1,000.00</b>	<b>.00</b>	<b>1,000.00</b>
TOTAL GROSS AMOUNT				TOTAL DISCOUNT	TOTAL NET

PLEASE ORDER BY ONLY EXPRESS MAIL



General Cigar Co., Inc.

220 West Newbury St.  
Boston, MA 02116-3398

a company of  
Culbro Corporation



62-29  
311

0287-08

057877

08/08/95 14-057877  
CHECK DATE BANK CHECK NO

CHECK AMOUNT  
\$1,000.00

AMOUNTS IN EX

*NONO*

CHEMICAL BANK DELAWARE  
1201 Market Street  
Wilmington, Delaware 19801

057877 14-057877

C 0000352



VOUCHER NO.

DATE

8/3/95

PLEASE FORWARD CHECK FOR \$ 1,000.00

TO William B. Currier

85207

ADDRESS

FOR

Advance

CHARGE CODE NO.

09-1764-099

AUTHORIZED BY

RW 

C 000035A

VENDOR NO  
01-026697

 **General Cigar Co., Inc.** a company of  
Culbro Corporation 

CHECK DATE BANK CHECK NO.  
08/03/95 057879

INVOICE DATE	INVOICE NO	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
08 03 95	0/95-ADV	08004-24331	1,000.00	.00	1,000.00
			<b>1,000.00</b>	<b>.00</b>	<b>1,000.00</b>
			<b>TOTAL GROSS AMOUNT</b>	<b>TOTAL DISCOUNT</b>	<b>TOTAL NET</b>

PLEASE DETACH BEFORE DEPOSITING

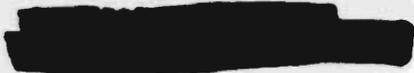
 **General Cigar Co., Inc.**  
320 West Newberry Rd  
Bloomfield, CT 06002-1398

a company of  
Culbro Corporation 

52 26 0267 09  
311

**G 057879**

\*\*\*\*\*1,000.00\*  
DOLLARS CENTS

FRANK FINA JR  


08/03/95 057879  
CHECK DATE BANK CHECK NO.

CHECK AMOUNT  
\$1,000.00

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

**CHEMICAL BANK DELAWARE:**  
1201 Market Street  
Wilmington, Delaware 19801

⑈057879⑈ ⑆031100267⑆ 6301402677 504⑈

97043775639

C 0000345



FORM H 37 R

VOUCHER NO. \_\_\_\_\_ DATE 8/3/95

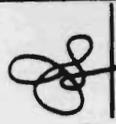
PLEASE FORWARD CHECK FOR \$ 1,000.00

TO Frank Finia Jr.

ADDRESS \_\_\_\_\_

FOR Advance

CHARGE CODE NO. 09-1764-099

 AUTHORIZED BY RW [Signature]

9  
7  
0  
4  
3  
7  
7  
5  
6  
4  
1

VENDOR NO.  
01-014652

**General Cigar Co., Inc.** a company of **Culbro** Corporation

CHECK DATE BANK CHECK NO.  
08/08/95 1M-057874

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
08 03 95	8/95-ADV	08004-24028	1,000.00	.00	1,000.00
			1,000.00	.00	1,000.00
			<b>TOTAL GROSS AMOUNT</b>	<b>TOTAL DISCOUNT</b>	<b>TOTAL NET</b>

PLEASE DETACH BEFORE DEPOSITING



**General Cigar Co., Inc.**  
320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of **Culbro** Corporation

62-28 0267-09  
311

**057874**

\*\*\*\*\*1,000.00\*

DOLLARS CENTS

PAUL CLEVELAND

08/08/95 1M-057874  
CHECK DATE BANK CHECK NO.

CHECK AMOUNT  
\$1,000.00

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

**CHEMICAL BANK DELAWARE**  
1201 Market Street  
Wilmington, Delaware 19801

**NON-NEGOTIABLE**

⑈057874⑈ ⑆031100267⑆ 6301402677 509⑈

2 4 9 5 7 5 6 4 2

C 0001055



FORM H 37 R

VOUCHER NO. \_\_\_\_\_

DATE

8/3/95

PLEASE FORWARD CHECK FOR \$ 1,000.<sup>00</sup>

TO

Paul Cleveland

ADDRESS \_\_\_\_\_

FOR

Advance

CHARGE CODE NO.

09-1764-099

AUTHORIZED BY

C 0001057

9 7 0 4 3 7 7 5 6 4 4

**VENDOR NO.**  
01-060820

**General Cigar Co., Inc.** a company of  
Culbro Corporation 

**CHECK DATE** 08/03/95 **BANK CHECK NO.** 1M-057899

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
08 03 95	8/95-ADV	08004-24030	1,000.00	.00	1,000.00
			1,000.00	.00	1,000.00
			<b>TOTAL GROSS AMOUNT</b>	<b>TOTAL DISCOUNT</b>	<b>TOTAL NET</b>

PLEASE DETACH BEFORE DEPOSITING

 **General Cigar Co., Inc.**  
320 West Newberry Rd.  
Bloomfield, CT 06002-1398 a company of  
Culbro Corporation 

62 26 0267 09  
311

**057899**

\*\*\*\*\*1,000.00\*

DOLLARS CENTS

JOHN KANO

08/08/95 1M-057899  
CHECK DATE BANK CHECK NO.

CHECK AMOUNT  
**\$1,000.00**

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

**CHEMICAL BANK DELAWARE**  
1201 Market Street  
Wilmington, Delaware 19801

⑆057899⑆ ⑆031100267⑆ ⑆301402677 509⑆

NO POST OFFICE BOX

C 0001052

97043775645

John Rano  
Vendor Name

General Cigar Co., Inc.  
Accounts Payable Voucher Apron

NR/2  
15  
K  
0001K

Vendor #		Due Date		Batch#		Vo. #	
3	10	15	20	21	25	26	30
01060820		080895		08004		24031	

August  
Accounting Month

* TC	
32	Regular
35	Credit
34	Debit Offset
37	Credit Offset
30/33	Manual
30/36	Manual Credit

* TC	Line #	Invoice #	Invoice Date
12	31 32 33		40 41 46
33	01	8/95-ADV080395	
	02		
	03		
	04		
	05		
	06		
	07		
	08		
	09		
	10		
	11		
	12		
	13		
	14		
	15		
	16		
	17		
	18		
	19		
	20		

Line #	Amount
49 50 51	

Gross Amount	Account #			
	Co	A/C	CC	Prom
65 66				77
1000.00	091764099			
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				

Manual Checks Only				
* TC	Line #	Check #	Check Amt	
12	31 32 33		38 39	40
	01			
	02			
	03			
	04			
	05			
	06			
	07			
	08			
	09			
	10			
	12			
	13			
	14			
	15			
	16			
	17			
	18			
	19			
	20			

**ENTERED**  
AUG 07 1995

RECEIPT NOT REQUIRED

*ll*

Return Check and/or Vo. To:  
Bob W.  
Name

Dr. Amount \$ 1,000.00  
Cr. Amount \$  
Net Check Amt. \$ 1,000.00  
9 1 0 4 3 7 5 6 4 6

Prepared by: *[Signature]* Date: 8/31/95  
Approved by: *[Signature]*  
Page 1

6 0901053

FORM H 37 R

VOUCHER NO. \_\_\_\_\_

DATE

8/3/95

PLEASE FORWARD CHECK FOR \$ 1,000.00

TO

John Rano

ADDRESS \_\_\_\_\_

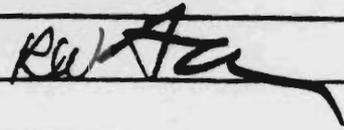
FOR

Advance

CHARGE CODE NO.

09-1764-099

AUTHORIZED BY



9 / 0 4 3 7 7 5 6 4 7

**VENDOR NO.**  
01-049709

**General Cigar Co., Inc.** a company of **Culbro**  
Culbro Corporation

**CHECK DATE** 08/08/95 **BANK CHECK NO.** 1M-057892

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
08 03 95	8/95-ADV	08004-24027	1,000.00	.00	1,000.00
			1,000.00	.00	1,000.00
<b>TOTAL GROSS AMOUNT</b>				<b>TOTAL DISCOUNT</b>	<b>TOTAL NET</b>

PLEASE DETACH BEFORE DEPOSITING

**General Cigar Co., Inc.**  
320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of **Culbro**  
Culbro Corporation

62-26  
3-1 0267-09

**057892**

08/08/95 1M-057892  
**CHECK DATE** **BANK CHECK NO.**

\*\*\*\*\*1,000.00\*

DOLLARS CENTS

AUSTIN MCNAMARA  
12 ASPENWOODS  
SIMSBURY, CT 06070

**CHECK AMOUNT**  
\$1,000.00

AMOUNTS IN EXCESS OF \$4000.00  
MUST BE COUNTERSIGNED

**CHEMICAL BANK DELAWARE**  
1201 Market Street  
Wilmington, Delaware 19801

**NON-NEGOTIABLE**

⑆057892⑆ ⑆03⑆100267⑆ ⑆30⑆140267⑆ 509⑆

C 0001039

97043775648



Form M 57 B

VOUCHER NO. \_\_\_\_\_

DATE

8/3/95

PLEASE FORWARD CHECK FOR \$ 1,000.00

TO

Austin McNamara

ADDRESS \_\_\_\_\_

FOR

Advance

CHARGE CODE NO.

09-1764-099

AUTHORIZED BY





SUZANNE L. CURRIER  
WILLIAM B. CURRIER

520

July 25 19 95

PAY TO THE ORDER OF Bob Dole For President

\$ 1000.00

ONE THOUSAND DOLLARS DOLLARS

SHAWMUT BANK  
HARTFORD, CONNECTICUT

FOR Donation

*[Signature]*

CHECK-OUT

JOHN M. RANO

51-57  
119

227

PAY TO THE ORDER OF Bob Dole for President

7/26 19 95

\$ 1,000.00

One thousand DOLLARS

**Fleet Bank**  
Member FDIC

MEMO

*[Signature]*

MARGARET M. FINA  
FRANK G. FINA

1367

60-496  
113

July 17 19 95

PAY TO THE ORDER OF Bob Dole for President

\$ 1,000.00

One thousand DOLLARS

**Meridian Bank**

MEMO

*[Signature]*

97043775651

AUSTIN T. McNAMARA  
LUCY B. McNAMARA

51-44/118

1836

PAY TO THE  
ORDER OF

7/11 1995  
Bob Dole for President

\$ 1000

one thousand

~~XX~~  
DOLLARS

100



**Shawmut Bank**  
Hartford, Connecticut

MEMO

Ann

MADE AND PRINTED IN U.S.A. PRINTED ON RECYCLED PAPER PRINTED WITH SOY INK

775652



PAUL T. CLEVELAND  
ANGELA J. CLEVELAND

51-88/111 939 MA

0144

PAY TO THE  
ORDER OF

7/10 1995  
Bob Dole for President

\$ 1000.00

One thousand and  $\frac{00}{100}$  cents

DOLLARS



**BANK OF BOSTON**  
CONNECTICUT

FOR

Paul Cleveland

[Redacted area]

**GARRISON, PHELAN, LEVIN-EPSTEIN & PENZEL, P.C.**

ATTORNEYS AT LAW  
405 ORANGE STREET

NEW HAVEN, CONNECTICUT 06511  
TEL. 203-777-4425  
FAX. 203-776-3965

JOSEPH D. GARRISON  
MARKUS L. PENZEL†  
GARY PHELAN\*  
ETHAN A. LEVIN-EPSTEIN\*†  
ROBERT A. RICHARDSON  
LEWIS CHIMES\*†  
DEBORAH J. KRAUSS\*  
MICHELE LANG PALTER\*

LEGAL ASSISTANTS  
CHERYL MATURO  
KAREN A. DETMERS  
MARIE CHIAPPETTA

\* ALSO ADMITTED TO NEW YORK BAR  
† ALSO ADMITTED TO MASSACHUSETTS BAR  
‡ ALSO ADMITTED TO TEXAS BAR

October 2, 1996

**BY FACSIMILE [(202) 219-3923]**  
**& OVERNIGHT COURIER**

Thomas J. Andersen, Esq.  
Associate Counsel  
Office of General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Re: Austin T. McNamara  
MUR 4286

Dear Mr. Andersen:

Please accept this letter as the submission on behalf of Austin T. McNamara in response to your conversations with Kenneth Gross about an expeditious resolution of the referenced MUR. Mr. McNamara has previously communicated with the Commission through me. This submission supplements our previous letters.

As you know, contributions were made to the Dole for President Campaign in 1995 and to the Newt Gingrich election effort in 1994. It has also been determined that there was another contribution, unmentioned by Paul Cleveland in his complaint to the FEC -- to Congressman Sam Gibbons' campaign -- in February, 1995.

Although it is now apparent that the contributions were not made in the appropriate way and constituted technical violations of the Federal Election Campaign Act, none were made with the knowledge that the Act was being violated or with an intent to break any law. The manner in which they were made and the internal company documentation relating to them strongly supports the conclusion that there was never an illicit purpose intended. In short, any violations of the law were not knowing and willful.

Oct 3 11 53 AM '96

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

27040775653

Thomas J. Andersen, Esq.

- 2 -

October 2, 1996

The Gingrich Contributions

In August, 1994, Mr. McNamara received a telephone call from Robert Franzblau, the President of one of General Cigar's customers. Mr. Franzblau told him that he was planning a fund-raising dinner in Florida for Newt Gingrich and he hoped that Mr. McNamara and his associates would assist in the effort.

Mr. McNamara reacted to this request as he would any request from a good customer. He viewed it as an opportunity to foster good will and customer relations and considered its potential benefit to General Cigar. He considered it to be a legitimate request for appropriate campaign contributions. The documentary evidence corroborates this. In fact, the documentation is no different than that which is generated when the company is asked (as it often is) to contribute to charities or some other fund-raising effort.

Acting in response to Mr. Franzblau's request, Mr. McNamara approached four executives in the company, Messrs. Currier, Burgh, Rano and Conder. He told them of the request and asked them to make the contributions. He solicited \$1,000 from each of them and made a similar contribution himself. He made it clear to the executives that any contribution they made would be reimbursed.

In late August, 1994, the employees and Mr. McNamara made the contributions. All the checks were payable to "Friends of Newt Gingrich." (Attached as Exhibit 1 are photocopies of the checks.)

Shortly thereafter, each of the five executives prepared and submitted expense vouchers requesting to be reimbursed for the donations. Each of the vouchers and the supporting documentation explicitly identified the expense as a campaign contribution to "Friends of Newt Gingrich." Each was clearly reflected as a "donation" on the books of account of the company and there was no effort to conceal or disguise the true nature of the expense. Inconsistent with an intent to camouflage the payments or to circumvent the campaign contribution law, Mr. McNamara, the executives and the company handled the transactions in a straightforward and overt manner, openly exposed to scrutiny. There were no efforts to conceal the nature of the transactions and there were no indicia of unlawful intent or knowledge.

Attached as Exhibit 2 are photocopies of the five sets of backup documents reflecting the reimbursements. As you can see, each set of backup materials consists of three documents: (1) a voucher; (2) an Accounts Payable Voucher Apron; and (3) a check to the employee and the attached stub. To be reimbursed, each of the employees was required to prepare and submit a voucher, with a copy of the check he contributed. The

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Thomas J. Andersen, Esq.

- 3 -

October 2, 1996

accounting department then prepared the Accounts Payable Voucher Apron, listing what the expense was for and identifying the expense account to be billed. The check was then cut and given to the employee.<sup>1</sup>

Each voucher (with the exception of Mr. Rano's<sup>2</sup>) made it clear that the employee was seeking reimbursement from the company for a "Donation to Friends of Newt Gingrich." Each employee, including Mr. Rano, attached a copy of his check, payable to "Friends of Newt Gingrich", to the voucher. There was no effort to conceal the recipient of the funds or their purpose.

Each of the Accounts Payable Voucher Aprons clearly identified the expense as being for a "Donation" and charged it against the General Cigar expense account designated for "Donations/Contributions" (Account No. 99810-910). Again, no attempt to conceal the nature of the expense was made.

The check stubs bore the same notation - "Donation."

If Mr. McNamara had known that it was improper for the company to reimburse these contributions, it goes without saying that he would never have left as obvious a "paper trail" of his misconduct as he did. The truth is that Mr. McNamara never believed that what he was doing was illegal and, therefore, treated the requests for reimbursement as he would any other such request - openly and available for anyone to see. Thereafter, Mr. McNamara acted in conformity with his belief that the contributions could be reimbursed.

---

<sup>1</sup>It is noteworthy that the requests for reimbursement were processed in precisely the same manner as any other such request (e.g. a request by an employee to be reimbursed for a charitable contribution). The same paperwork was prepared; the same people handled the requests (and this included personnel in several different parts of the financial department); and numerous record entries were made. This strongly supports the absence of a knowing and willful violation. If Mr. McNamara knew and intended to violate the law, it is illogical, to say the least, that he would have permitted so many people to become potential witnesses to his wrongdoing.

<sup>2</sup>Mr. Rano's voucher was prepared by a secretary who mistakenly thought it was for a charitable contribution.

97043775655

Thomas J. Andersen, Esq.

- 4 -

October 2, 1996

The Gibbons Contribution

In February, 1995, Edgar Cullman, Sr., the Chairman and Chief Executive Officer of Culbro Corporation, the parent company of General Cigar, received a letter from Representative Sam Gibbons, asking him to contribute to his campaign effort. Mr. Cullman forwarded the solicitation to Mr. McNamara and they conferred. Mr. Cullman advised Mr. McNamara that Congressman Gibbons had been a supporter of the tobacco industry and said he could make a contribution if he wished. Mr. Cullman did not instruct Mr. McNamara to make the contribution nor did he tell him that he should submit the contribution to the company for reimbursement.

Mr. McNamara, continuing to believe that there was nothing untoward about it, contributed \$1,000 to the Gibbons campaign organization and submitted the appropriate documentation to the company for reimbursement. (Attached as Exhibit 3 is a photocopy of Mr. McNamara's check. Attached as Exhibit 4 are photocopies of the Apron and check stub.)

Once again, the documentation clearly reflects that the request for reimbursement is for a campaign contribution to the "Committee for Sam Gibbons" and that it was described exactly that way on the books of account of the company. There was no effort to conceal or disguise the true nature of the transactions and no indication of any effort to hide anything.

The Dole Contributions

In July, 1995, Mr. McNamara received another call from Mr. Franzblau. Among other things, they discussed the Dole campaign for the Presidency. As a result, Mr. McNamara decided to proceed as he had in 1994.

He asked Messrs. Currier, Fina, Rano and Cleveland to contribute \$1,000 to the Dole effort, and made a similar contribution himself. Each of the checks was made payable to "Bob Dole for President." Once again, Mr. McNamara told each of the executives to submit the \$1,000 contribution for reimbursement.

Toward the end of July the executives submitted their vouchers for reimbursement as instructed by Mr. McNamara and, once again, the nature of the expenses was explicitly described. For example, Mr. Currier's voucher requested that he be reimbursed \$1,000 for "Bloomfield - Donation to Bob Dole For President." (Attached as Exhibit 5 is a

97043775656

Thomas J. Andersen, Esq.

- 5 -

October 2, 1996

photocopy of the backup documentation for the Currier request for reimbursement.<sup>3</sup>) The other executives submitted similar requests for reimbursement (as did Mr. McNamara), all of which clearly identified the expenses as contributions to the Dole for President campaign effort. (Attached as Exhibit 6 are photocopies of the executives' checks, payable to "Bob Dole for President.")

Unlike the Gingrich contributions in 1994, however, these requests for reimbursement came to the personal attention of Mr. Robert Loftus, General Cigar's Chief Financial Officer, because it was taking a long time for the requests to be processed and the executives were anxious to get their money back. Unsure how to book the transactions, he sent an e-mail message to four executives - Messrs. McNamara, Cleveland, Geoghegan<sup>4</sup> and Currier - advising them that they would receive checks as requested, but that the payments would be treated as advances. The e-mail clearly identified its subject matter as "DOLE", it was sent with "Normal" priority and with no special treatment or confidentiality. It demonstrates no effort to hide or conceal the fact of the contributions or to cover them up. (Attached as Exhibit 7 is a photocopy of the e-mail message sent by Mr. Loftus.) The advances were duly issued and distributed on August 8, 1995. (Attached as Exhibit 8 are photocopies of the checks issued to the executives.) They were advances, not reimbursements.

In early September, 1995, in deference to Mr. Loftus' concern that reimbursements were not proper, Mr. McNamara gave the company his personal check for \$5,000 to repay the advances. Mr. McNamara rectified the situation personally and immediately. Rather than suggesting to the executives that they return the money, he recognized that it was solely his responsibility and voluntarily paid the company back himself.

### Conclusion

The overall picture is not one of deception and illegality. Although it is clearly not one of a sophistication and awareness of the campaign contribution laws, it is not one of venality or an intent to corrupt. Mr. McNamara conducted himself in a way that reflected an ignorance and naivete about the law in the good faith belief that he was acting

---

<sup>3</sup>The reference to "Bloomfield" on the voucher refers to the location of General Cigar's home office. It was there that Mr. Currier made the contribution for which he was seeking reimbursement.

<sup>4</sup>Mr. Geoghegan was copied by mistake when Mr. Loftus hit the wrong address code on the e-mail system. His copy was intended for Mr. Rano. Mr. Geoghegan made no contribution.

97043775657

Thomas J. Andersen, Esq.

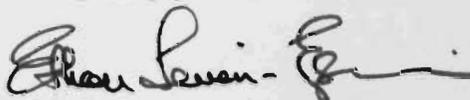
- 6 -

October 2, 1996

properly. He did not exhibit the hallmarks of one who is intentionally violating the law or attempting to evade detection.

In short, he did not act knowingly and willfully.

Very truly yours,



Ethan Levin-Epstein

ELE/rl  
Attachments<sup>3</sup>

97043775650

---

<sup>3</sup>In the interest of promptness, this letter has been faxed. The original, with the original exhibits, follows by overnight courier.

DAVID W. BURGH  
SHIRLEY A. BURGH

51-57-25  
119

273

[Redacted]

Aug. 31 19 94

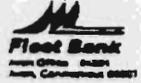
PAY TO THE  
ORDER OF

Friends of Nant Gungwah

\$ 1000.00

One thousand and 00/100

DOLLARS



MEMO Co. Cont

[Signature]

SUZANNE L. CURRIER  
WILLIAM B. CURRIER

1623

[Redacted]

Aug. 29 19 94

5-20/110

Pay to  
the order of

FRIENDS OF NANT GUNGWAH

\$ 1000.00

ONE THOUSAND DOLLARS

1000

Dollars

SHAWMUT  
SHAWMUT BANK  
BOSTON, MASSACHUSETTS

For

[Redacted]

[Signature]

97043775659

SW 2500 2 20

JOHN M. RAND  
 [REDACTED] 51-82-523 118 185

PAY TO THE ORDER OF FRIENDS OF NEWT GINGERICH \$ 1,000.00  
One thousand DOLLARS

**First Bank**  
 [REDACTED]

MEMO [REDACTED] John M. Rand

WILLIAM M. CONDER 1/90 1467  
 [REDACTED] 61-468/831 39

PAY TO THE ORDER OF FRIENDS OF NEWT GINGERICH \$ 1000.00  
One thousand DOLLARS

**Barnett Bank**  
 640-020  
 15002 North Dale Mabry  
 Tampa, Florida 33618

FOR [REDACTED] William M. Conder

AUSTIN T. McNAMARA 31-44/118 0980  
 LUCY B. McNAMARA  
 [REDACTED]

PAY TO THE ORDER OF FRIENDS OF NEWT GINGERICH \$ 1000.00  
one thousand DOLLARS

**Shawmut Bank**  
 Hartford, Connecticut

MEMO [REDACTED] AMC

9704377566C

VENDOR NO.  
01-011540

 **General Cigar Co., Inc.** a company of  Culbro Corporation

CHECK DATE | BANK CHECK NO.  
09/27/94 | 14-051110

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
09 26 94	CONATION	09029-17716	1,000.00	.00	1,000.00
			1,000.00	.00	1,000.00
			TOTAL GROSS AMOUNT	TOTAL DISCOUNT	TOTAL NET

PLEASE DETACH BEFORE DEPOSITING



 **General Cigar Co., Inc.**  
320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  Culbro Corporation

62-26 0257-09  
317

**G 051110**

09/27/94 | 14-051110  
CHECK DATE | BANK CHECK NO.

\*\*\*\*\*1,000.00\*\*  
DOLLARS CENTS

DAVID W BURGH

CHECK AMOUNT  
\$1,000.00

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

**NON NEGOTIABLE**

**CHEMICAL BANK DELAWARE**  
1201 Market Street  
Wilmington, Delaware 19801

⑆051110⑆ ⑆031100267⑆ 6301402677 509⑆

97043775

General Cigar Co., Inc.  
Accounts Payable Voucher Apron

\*TC

- 32 Regular
- 35 Credit
- 34 Debit Offset
- 37 Credit Offset
- 30/33 Manual
- 30/36 Manual Credit

David Bush  
Vendor Name

Vendor #		Due Date		Batch#		Vo. #	
3	10	15	20	21	25	26	30
01011548		092794		091029		12715	

SEPT 94  
Accounting Month

# TC	Line #	Invoice #	Invoice Date	Sp. #	Bank #														
						31	32	33	40	41	46	49	50	51					
32	01	DONATION	092694																
	02																		
	03																		
	04																		
	05																		
	06																		
	07																		
	08																		
	09																		
	10																		
	11																		
	12																		
	13																		
	14																		
	15																		
	16																		
	17																		
	18																		
	19																		
	20																		

Gross Amount	Account #			
	Co	A/C	CC	Prom
1000000	0	9981	0910	
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			

Manual Checks Only			
# TC	Line #	Check #	Check Amt.
12	313233	3839	46
	01		
	02		
	03		
	04		
	05		
	06		
	07		
	08		
	09		
	10		
	11		
	12		
	13		
	14		
	15		
	16		
	17		
	18		
	19		
	20		

Return Check and/or Vo. To \_\_\_\_\_

Dr. Amount \$ 1000.00

Cr. Amount \$ -

Net Check Amt. \$ 1000.00

Prepared by Bb Date: 9-26-94

Approved by: \_\_\_\_\_

Page 1 of 1

Name \_\_\_\_\_

6103757576

VOUCHER NO. \_\_\_\_\_

DATE 9-26-94

PLEASE FORWARD CHECK FOR \$ 1000.00

TO D. Burgh

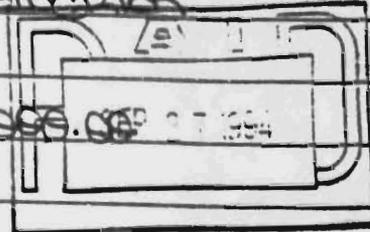
ADDRESS \_\_\_\_\_

FOR DONATION TO FRIENDS OF NEWT Campaign

CHARGE CODE NO. 1

09-9810-910

1000.00



AUTHORIZED BY [Signature]

97043775663

9810-910

DAVID W. BURGH  
SHIRLEY A. BURGH

11-97-25  
178

273

PAY TO THE  
ORDER OF

Friends of Neewt Campaign

Aug. 31 19 94

\$ 1000.00

One thousand and 00/100

DOLLARS



MEMO Co. Cont.

[Signature]

VENDOR NO.  
31-012903



General Cigar Co., Inc.

a company of  
Culbro Corporation



CHECK DATE | BANK CHECK NO.  
09/27/94 | 14-051112

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
09 26 94	DONATION	09029-17714	1,000.00	.00	1,000.00
			1,000.00	.00	1,000.00
			TOTAL GROSS AMOUNT	TOTAL DISCOUNT	TOTAL NET

PLEASE DETACH BEFORE DEPOSITING

97043776



General Cigar Co., Inc.

320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  
Culbro Corporation



62-26  
311

0267-09

G 051112

CHECK DATE | BANK CHECK NO.  
09/27/94 | 14-051112

\*\*\*\*\*1,000.00\*  
DOLLARS CENTS

WILLIAM B. CURRIER

CHECK AMOUNT

\$1,000.00

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

NON NEGOTIABLE

CHEMICAL BANK DELAWARE

1201 Market Street  
Wilmington, Delaware 19801

⑆051112⑆ ⑆031100267⑆ 6301402677 509⑆

MS-A-P

William B. Currier  
Vendor Name

General Cigar Co., Inc.  
Accounts Payable Voucher Apron

Vendor #		Due Date		Batch#		Vo. #	
3	10	15	20	21	25	26	30
01018903		092794		09029		17714	

SEPT 94  
Accounting Month

*TC	
32	Regular
35	Credit
34	Debit Offset
37	Credit Offset
30/33	Manual
30/36	Manual Credit

# TC	Line #	Invoice #	Invoice Date
12	31 32 33		40 41
32	01	DONATION	092694
	02		
	03		
	04		
	05		
	06		
	07		
	08		
	09		
	10		
	11		
	12		
	13		
	14		
	15		
	16		
	17		
	18		
	19		
	20		

Sp	ring	Bank
49	50	51

Gross Amount	Account #			
	Co.	A/C	CC	Prom
58	65	66		77
1000.00	099818918			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			

Manual Checks Only			
# TC	Line #	Check #	Check Amt.
12	31 32 33	38 39	
	01		
	02		
	03		
	04		
	05		
	06		
	07		
	08		
	09		
	10		
	11		
	12		
	13		
	14		
	15		
	16		
	17		
	18		
	19		
	20		

Return Check and/or Vo. To \_\_\_\_\_  
Name \_\_\_\_\_

Dr. Amount \$ 1000.00  
Cr. Amount \$ -  
Net Check Amt \$ 1000.00

Prepared by [Signature] Date: 092694  
Approved by \_\_\_\_\_  
Page 1 of 1

VOUCHER NO. \_\_\_\_\_ DATE 9-21-94

PLEASE FORWARD CHECK FOR \$ 1000.00

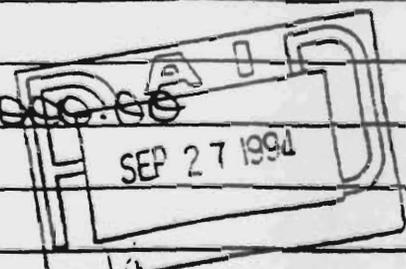
TO B. CURRIE

ADDRESS \_\_\_\_\_

FOR DONATION FOR FRIENDS OF NEWT GINGRICH

CHARGE CODE NO. \_\_\_\_\_

09-9810-910 1000.00



AUTHORIZED BY (Signature)

97043775666

9810-910

SUZANNE L. CURRIE  
WILLIAM E. CURRIE

1623

Aug. 29 1994 5-20/110

Pay to the order of FRIENDS OF NEWT GINGRICH \$ 1000.00

ONE THOUSAND DOLLARS \$ 1000 Dollars

SHAWMUT  
SHAWMUT BANK  
BOSTON, MASSACHUSETTS

(Signature)

For \_\_\_\_\_

VENDOR NO.  
210 60820

 **General Cigar Co., Inc.** a company of  
Culbro Corporation 

CHECK DATE | BANK CHECK  
09-20-94 | 050787

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
09-19-94	091984		\$1,000.00		\$1,000.00
			TOTAL GROSS AMOUNT	TOTAL DISCOUNT	TOTAL NET
					\$1,000.00

97043775667

PLEASE DETACH BEFORE DEPOSITING

 **General Cigar Co., Inc.**  
320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  
Culbro Corporation 

62-26  
311 0267-09

 050787

09-20-94 | 050787  
CHECK DATE | BANK CHECK NO.

\*\*\*One Thousand Dollars and 00/xxx\*\*\*  
DOLLARS CENTS

John Rano

CHECK AMOUNT  
\*\*\*\$1,000.00\*\*\*

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

**NON NEGOTIABLE**

**CHEMICAL BANK DELAWARE**  
1201 Market Street  
Wilmington, Delaware 19801

⑆050787⑆ ⑆031100267⑆ 6301402677 509⑆

General Cigar Co., Inc.

Accounts Payable Voucher Apron

John Pano  
Vendor Name

Vendor #		Due Date		Batch#		Vo. #	
3	10	15	20	21	25	26	30
01060820		092094		09036		17898	

September 1994  
Accounting Month

*TC	
32	Regular
35	Credit
34	Debit Offset
37	Credit Offset
30/33	Manual
30/36	Manual Credit

*TC	Line #	Invoice #	Invoice Date	Sp. Hand	Bank	Gross Amount	Account #							
							Co.	A/C	CC	Prom				
12	31	32	33	40	41	46	58	65	66	77				
32	01	091994	091994			100000	0	998109	10					
	02						0							
	03						0							
	04						0							
	05						0							
	06						0							
	07						0							
	08						0							
	09						0							
	10						0							
	11						0							
	12						0							
	13						0							
	14						0							
	15						0							
	16						0							
	17						0							
	18						0							
	19						0							
	20						0							

Manual Checks Only						
*TC	Line #	Check #	Check Amt.			
12	31	32	33	38	39	46
	01	956787	100000			
	02					
	03					
	04					
	05					
	06					
	07					
	08					
	09					
	10					
	11					
	12					
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	14					
	15					
	16					
	17					
	18					
	19					
	20					

Return Check and/or Vo. To:  
A. Staley  
Name

Dr. Amount \$ 1,000.00  
Cr. Amount \$ \_\_\_\_\_  
Net Check Amt. \$ 11,000.00 + 6

Prepared by: CA Date: 9-20-94  
Approved by: \_\_\_\_\_  
Page 1 of 1

VOUCHER NO. \_\_\_\_\_

DATE 9-22-94

PLEASE FORWARD CHECK FOR \$ 1,000.00

TO John Rano

ADDRESS \_\_\_\_\_

FOR Charity contribution To who?

CHARGE CODE NO. \_\_\_\_\_

AUTHORIZED BY [Signature]

91043775669

DONE ON 9/20

JOHN M. RANO

51-57-22  
118

1995

PAY TO THE ORDER OF FRIENDS OF NEWT GIERICH 5/31 1994

One Thousand \$ 1,000.00

\_\_\_\_\_ DOLLARS

[Signature]

MEMO \_\_\_\_\_

Fleet Bank

VENDOR NO.  
01-016130



General Cigar Co., Inc.

a company of  
Culbro Corporation



CHECK DATE BANK CHECK NO.  
09/26/94 050793

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
09/26/94	DONATION		1,000.000		\$1,000.00
					\$1,000.00
TOTAL GROSS AMOUNT			TOTAL DISCOUNT	TOTAL NET	

PLEASE DETACH BEFORE DEPOSITING

970437567C



General Cigar Co., Inc.

320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  
Culbro Corporation



62-26  
311

0267-09

G 050793

CHECK DATE BANK CHECK NO.  
09/26/93 050793

\*\*\*ONE THOUSAND DOLLARS AND 00/XXX\*\*\*

DOLLARS

CENTS

MICHAEL CONDER

CHECK AMOUNT  
\*\*\*\$1,000.00\*\*\*

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

NON NEGOTIABLE

CHEMICAL BANK DELAWARE

1201 Market Street  
Wilmington, Delaware 19801



112



VOUCHER NO. \_\_\_\_\_

DATE

9-26-94

PLEASE FORWARD CHECK FOR \$

1000.00

TO

WILLIAM CONDER (MICHAEL)

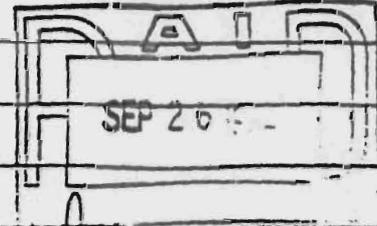
ADDRESS \_\_\_\_\_

FOR

DONATION FOR FRIENDS OF NEWT CONGRICH

CHARGE CODE NO. \_\_\_\_\_

89-9810-910



AUTHORIZED BY

*[Signature]*

91043775672

7-30  
MANUAL

WILLIAM M. CONDER

1/90

1467

9/7 1994

63-488/631  
31

PAY TO THE ORDER OF

FRIENDS OF NEWT CONGRICH \$ 1000.00

One Thousand

00/100 DOLLARS



648-688  
18000 North Dale Mabry  
Tampa, Florida 33618

*[Signature]*

FOR

\_\_\_\_\_

VENDOR NO.  
01-049703



General Cigar Co., Inc.

a company of  
Culbro Corporation



CHECK DATE | BANK CHECK NO.  
09/26/84 | 050794

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
09/26/94	DONATION		\$1,000.00		\$1,000.00
			<b>TOTAL GROSS AMOUNT</b>	<b>TOTAL DISCOUNT</b>	<b>TOTAL NET</b>
					\$1,000.00

PLEASE DETACH BEFORE DEPOSITING



General Cigar Co., Inc.

320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  
Culbro Corporation



52-26  
311

0267-09

**G 050794**

CHECK DATE | BANK CHECK NO.  
09/26/94 | 050794

9  
7  
0  
4  
3  
7  
7  
5  
6

\*\*\*ONE THOUSAND DOLLARS AND 00/XXX  
DOLLARS CENTS

AUSTIN MCNAMARA

CHEMICAL BANK DELAWARE  
1201 Market Street  
Wilmington, Delaware 19801

CHECK AMOUNT  
\*\*\*\$1,000.00\*\*\*

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

**NON NEGOTIABLE**

⑆050794⑆ ⑆031100267⑆ 6301402677 509⑆

General Cigar Co., Inc.

Accounts Payable Voucher Apron

AUSTIN MONAMARA

Vendor Name

Vendor #	
3	10
01049709	

Due Date	
15	20
9/26/94	

Batch#	
21	25
091034	

Vo. #	
26	30
17851	

SEPT 94

Accounting Month

\*TC

- 32 Regular
- 35 Credit
- 34 Debit Offset
- 37 Credit Offset
- 30/33 Manual
- 30/36 Manual Credit

*TC	Line #	Invoice #	Invoice Date
12	313233		4041
32	01	DONATION	9/26/94
	02		
	03		
	04		
	05		
	06		
	07		
	08		
	09		
	10		
	11		
	12		
	13		
	14		
	15		
	16		
	17		
	18		
	19		
	20		

\$	Permt.	Sam.
49	50	51

Gross Amount	Account #			
	Co.	A/C	CC	Prom
58	65	66		77
1000.00	0	9981	9918	
	0			
	0			
	0			
	0			
	0			
	0			
	0			
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	0			
	0			
	0			
	0			
	0			
	0			
	0			

RECEIPT NOT REQUIRED



Manual Checks Only			
*TC	Line #	Check #	Check Amt.
12	313233		3839
	01		
	02		
	03		
	04		
	05		
	06		
	07		
	08		
	09		
	10		
	11		
	12		
	13		
	14		
	15		
	16		
	17		
	18		
	19		
	20		

Prepared by:  Date: 9-26-94

Approved by: 

Page 1 of 1

Return Check and/or Yo. To:

Dr. Amount \$ 1000.00

Cr. Amount \$ -

Net Check Amt. \$ 1000.00

Name

479575674

VOUCHER NO.

DATE 9-26-94

PLEASE FORWARD CHECK FOR \$ 1000.00

TO A. McNamara

ADDRESS

FOR DONATION FOR FRIENDS OF NEWT GINGRICH

CHARGE CODE NO.

89-9810-910

1000.00

SEP 26

AUTHORIZED BY

*BD* *VA*

1231

97043775675

Manual

AUSTIN T. McNAMARA  
LUCY B. McNAMARA

51-44719

0980

PAY TO THE ORDER OF

Friends of Newt Gingrich \$ 1000.00

one thousand

Shawmut Bank  
Hartford, Connecticut

*AMD*

MEMO

CHARLES 1993

97043775676

AUSTIN T. McNAMARA  
LUCY B. McNAMARA

51-447118

1827

PAY TO THE  
ORDER OF

Committee For Save Gibbons

\$ 1000<sup>00</sup>

one thousand

~~XXX~~ DOLLARS  
00



**Shawmut Bank**  
Hartford, Connecticut

MEMO

AND

© 1995 Shawmut Bank

01-042700

04/11/95 14-0546

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
04/05/95	5AH07BB	04007-21169	1,000.00	.00	1,000.00
			<b>1,000.00</b>	<b>.00</b>	<b>1,000.00</b>
			<b>TOTAL GROSS AMOUNT</b>	<b>TOTAL DISCOUNT</b>	<b>TOTAL NET</b>

PLEASE DETACH BEFORE DEPOSITING

 **General Cigar Co., Inc.**  
 320 West Newberry Rd.  
 Bloomfield, CT 06002-1398

a company of  Culbro Corporation

62-25  
311  
0267-09

G 054653

\*\*\*\*\*1,000.00\*  
DOLLARS CENTS

AUSTIN MCNAMARA



**CHEMICAL BANK DELAWARE**  
1201 Market Street  
Wilmington, Delaware 19801

04/11/95 14-054  
CHECK DATE BANK CHECK

CHECK AMOUNT  
**\$1,000.00**

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED  
**NON NEGOTIABLE**

054653 0311002670 6301402677 5097

97043715677

CAJISTO PLUMBERS

Vendor Name

9704315618

3	01049709
10	
15	
20	
25	
30	

15	041195
20	
25	
30	

21	04007
25	
30	

26	21169
30	

Accounting Month

April

- 32 Regular
- 35 Credit
- 34 Debit Offset
- 37 Credit Offset
- 30/33 Manual
- 30/36 Manual Credit

15  
DOR  
NDA  
TC

Line #	Invoice #	Invoice Date	Dr. Amount	Cr. Amount	Net Check
12					
13					
14					
15					
16					
17					
18					
19					
20					
32	015AM0186	040595	1000.00	9981.09	1010.09

Line #	Account #	Co	A/C	CC	From	Dr. Amount	Cr. Amount	Net Check
12								
13								
14								
15								
16								
17								
18								
19								
20								
32						1000.00	9981.09	1010.09

RECEIPT NOT RECORDED

2

Line #	Check #	Check Amt	Dr. Amount	Cr. Amount	Net Check
12					
13					
14					
15					
16					
17					
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19					
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97					
98					
99					
100					

Return Check and/or Vo. To:

Name

Dr. Amount \$ 1000.00  
Cr. Amount \$

Prepared by: [Signature]  
Date: 4/9/95

Page 1 of 1

EXHIBIT 5 0437689

33

General Cigar Co., Inc.  
Travel and Entertainment Report

Name of Employee		W. Brent Currier		Dept. Name		SMUS		Period Covered		From: 7/25 To:	
ITINERARY		Location & Purpose		Transportation		Hotel & Meal Expenses		MISC. (B)		TOTALS	
Date	7/25	Green Field - Deviation To		Airfare, Pk. Tolls, Taxi	Room	Laundry/ Valet	Meals (A)	D	1000	1000	TOTALS
		BPP DATE FOR PPM.007									
		(SEE ATT)									
TOTALS:											

LESS: ADVANCES \$1  
TOTAL DUE: \$/1000

ENTERED  
JUL 26 1995

Employee Signature: *[Signature]* Date: 7/25/95  
Approval Signature: *[Signature]* Date: \_\_\_\_\_

Note: Space is provided on back for additional information and/or comments relating to (A) & (B) above.

SUZANNE L. CURRIER  
WILLIAM B. CURRIER

520

July 25 19 95

PAY TO THE ORDER OF Bob Dole For President

\$ 1000.00

ONE THOUSAND DOLLARS

SHAWMUT BANK  
HARTFORD, CONNECTICUT

FOR Political Cont.

*[Signature]*

CHECK IT OUT 1-800-633-4337

SUNFLOWER

JOHN M. RANO

51-97-423  
119

227

7/26 19 95

PAY TO THE ORDER OF Bob Dole for President

\$ 1,000.00

ONE THOUSAND DOLLARS

 Fleet Bank  
Member FDIC

MEMO

for a Rano

97043775680

MARGARET M. FINA  
FRANK G. FINA

1367

July 17 19 95

CH-896  
30

PAY TO THE ORDER OF Bob Dole For President

\$ 1,000.00

ONE THOUSAND DOLLARS

 Meridian Bank

MEMO

Margaret G. Fina

AUSTIN T. McNAMARA  
LUCY B. McNAMARA

51-44/119

1836

7/11 19 95

PAY TO THE  
ORDER OF

Bob Dole for President

\$ 1000

and Howard

XX  
DOLLARS

100



Shawmut Bank

Hartford, Connecticut

Ann

MEMO

681  
3775  
376  
370



PAUL T. CLEVELAND  
ANGELA J. CLEVELAND

51-60/111 938 MA

0144

7/10 19 95

PAY TO THE  
ORDER OF

Bob Dole for President

\$ 1000.00

One thousand and <sup>00</sup>/<sub>100</sub> cents

DOLLARS



BANK OF BOSTON

CONNECTICUT

FOR

Paul Cleveland

Author: Robert Loftus at GC\_HARTFORD  
Date: 8/3/95 1:17 PM  
Priority: Normal  
TO: Paul Cleveland  
TO: Brent Currier  
TO: John Geoghegan  
TO: Austin McNamara  
Subject: DOLE

----- Message Contents -----

YOU WILL RECEIVE YOUR CHECK AUG. 8. IT WILL BE TREATED AS AN ADVANCE  
UNTIL YOU GIVE ME BACKUP.

97043775682

VENDOR NO  
01-018903

 General Cigar Co., Inc. a company of  Cubro Corporation

CHECK DATE BANK CHECK NO  
08/08/95 14-057877

INVOICE DATE	INVOICE NO	BATCH NO	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
08-03-95	8/95-ADV	08004-24029	1,000.00	.00	1,000.00
			<b>TOTAL GROSS AMOUNT</b>	<b>TOTAL DISCOUNT</b>	<b>TOTAL NET</b>
			1,000.00	.00	1,000.00

PLEASE PRINT OR TYPE CLEARLY



 General Cigar Co., Inc. a company of  Cubro Corporation  
320 West Newberry Rd.  
Mooresville, NC 28002-1398

62 26  
311 0267 09

057877

\*\*\*\*\*1,000.00\*\*  
000000 CENTS

WILLIAM B. CURRIER

08/08/95 14-057877  
CHECK DATE BANK CHECK NO

CHECK AMOUNT  
\$1,000.00

*WBC*

CHEMICAL BANK DELAWARE  
1201 Market Street  
Wilmington, Delaware 19801

AMOUNTS IN EXCESS OF \$100.00

⑆057877⑆ ⑆031100262⑆ ⑆80110267⑆



97043775685

VOUCHER NO. \_\_\_\_\_ DATE 8/3/95

PLEASE FORWARD CHECK FOR \$ 1,000.00

TO William B. Currier 85209

ADDRESS \_\_\_\_\_

FOR Advance

CHARGE CODE NO. 09-1764-099

 AUTHORIZED BY RW [Signature]

C 0000354

97043775686

VENDOR NO  
01-026697



General Cigar Co., Inc.

a company of  
Cubiro Corporation



CHECK DATE  
1/15/95

BANK CHECK NO  
V-57373

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
01 03 95	0/95-ADV	08064-4431	1,000.00	.00	1,000.00
TOTAL GROSS AMOUNT			1,000.00	TOTAL DISCOUNT	0.00
TOTAL NET					1,000.00

PLEASE DETACH BEFORE DEPOSITING.



General Cigar Co., Inc.

320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  
Cubiro Corporation



0226  
311

0267 08

057879

\*\*\*\*\*1,000.00\*

DOLLARS

CENTS

FRANK FINA JR

01/15/95  
CHECK DATE

171-07379  
BANK CHECK NO

CHECK AMOUNT  
1,000.00

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

CHEMICAL BANK DELAWARE

1500 Market Street  
Wilmington, Delaware 19801

⑆0157079⑆ ⑆031100267⑆ 630160267⑆



Form N 57 R

VOUCHER NO. \_\_\_\_\_ DATE 8/3/95

PLEASE FORWARD CHECK FOR \$ 1,000.00

TO Frank Fina Jr.

ADDRESS \_\_\_\_\_

FOR Advance

CHARGE CODE NO. 09-1764-099

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

 AUTHORIZED BY RW

97043775688

9 7 0 4 3 7 7 5 6 8 9

VENDOR NO.  
01-014652



General Cigar Co., Inc. a company of  
Culbro Corporation

CHECK DATE BANK CHECK NO.  
08/08/95 1M-057874

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
08 03 95	8/95-ADV	08004-24028	1,000.00	.00	1,000.00
			1,000.00	.00	1,000.00
			TOTAL GROSS AMOUNT	TOTAL DISCOUNT	TOTAL NET

PLEASE DETACH BEFORE DEPOSITING



General Cigar Co., Inc.

320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  
Culbro Corporation

62-26  
311 0267-09

057874

08/08/95 1M-057874  
CHECK DATE BANK CHECK NO.

\*\*\*\*\*1,000.00\*

DOLLARS CENTS

PAUL CLEVELAND

CHECK AMOUNT  
\$1,000.00

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

CHEMICAL BANK DELAWARE  
1201 Market Street  
Wilmington, Delaware 19801

NON-NEGOTIABLE

⑆057874⑆ ⑆03⑆⑆00267⑆: 630⑆⑆402677 509⑆

C 0001055



97043775691

FORM H 37 R

VOUCHER NO. \_\_\_\_\_

DATE

8/3/95

PLEASE FORWARD CHECK FOR \$ 1,000.<sup>00</sup>

TO

Paul Cleveland

ADDRESS \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FOR

Advance

CHARGE CODE NO.

09-1764-099  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

AUTHORIZED BY

 RW 

C 0001057

9 7 0 4 3 7 7 5 6 9 2

**VENDOR NO.**  
01-060820



**General Cigar Co., Inc.**

a company of  
Cubro Corporation



**CHECK DATE** 08/03/95  
**BANK CHECK NO.** 1M-057899

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
08 03 95	8/95-ADV	08004-24030	1,000.00	.00	1,000.00
			1,000.00	.00	1,000.00
			<b>TOTAL GROSS AMOUNT</b>	<b>TOTAL DISCOUNT</b>	<b>TOTAL NET</b>

PLEASE DETACH BEFORE DEPOSITING



**General Cigar Co., Inc.**

320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  
Cubro Corporation



62 26  
311

0267-09

**G 057899**

\*\*\*\*\*1,000.00\*

DOLLARS CENTS

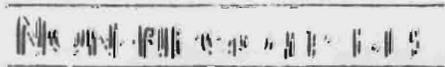
JOHN RAND

08/08/95 1M-057899  
CHECK DATE BANK CHECK NO.

**CHECK AMOUNT**  
\$1,000.00

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

**CHEMICAL BANK DELAWARE**  
1201 Market Street  
Wilmington, Delaware 19801



⑆057899⑆ ⑆031100267⑆ 6301402677 509⑆

C 0001052

9 7 0 4 3 7 7 5 6 9 3

FORM 41

John Rano

Vendor Name

General Cigar Co., Inc.  
Accounts Payable Voucher Apron

NRP  
15  
K  
BOOK

Vendor #	
3	10
01060820	

Due Date	
15	20
080895	

Batch#	
21	25
080895	

Vo. #	
26	30
24030	

August

Accounting Month

* TC	
32	Regular
35	Credit
34	Debit Offset
37	Credit Offset
30/33	Manual
30/36	Manual Credit

# TC	Line #	Invoice #	Invoice Date
12	31 32 33		10 11 16
33	01	8/95-ADV080395	
	02		
	03		
	04		
	05		
	06		
	07		
	08		
	09		
	10		
	11		
	12		
	13		
	14		
	15		
	16		
	17		
	18		
	19		
	20		

#	Line #
49	50 51

Gross Amount	Account #			
	Co.	A/C	CC	Prom
1000.00	09	1764	099	77
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				

Manual Checks Only			
# TC	Line #	Check #	Check Amt
12	31 32 33		10 11 16
	01		
	02		
	03		
	04		
	05		
	06		
	07		
	08		
	09		
	10		
	12		
	13		
	14		
	15		
	16		
	17		
	18		
	19		
	20		

ENTERED

AUG 07 1995

RECEIPT NOT REQUIRED

ll

Return Check and/or Vo. To:

Bob W.

Name

Dr. Amount \$ 1,000.00

Cr. Amount \$

Net Check Amt. \$ 1,000.00

Prepared by: [Signature] Date: 8/3/95

Approved by: [Signature]

Page 1

C 0001053

Form H 37 R

VOUCHER NO. \_\_\_\_\_

DATE

8/3/95

PLEASE FORWARD CHECK FOR \$ 1,000.00

TO

John Rano

ADDRESS \_\_\_\_\_

FOR

Advance

CHARGE CODE NO.

09-1764-099

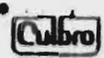
AUTHORIZED BY



97043775694

9 7 0 4 3 7 7 5 6 9 5

**VENDOR NO.**  
01-049709

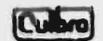
 **General Cigar Co., Inc.** a company of  **Cubro Corporation**

**CHECK DATE** 08/08/95 **BANK CHECK NO.** 1M-057892

INVOICE DATE	INVOICE NO.	BATCH NO.	GROSS AMOUNT	DISCOUNT AMOUNT	NET AMOUNT
08 03 95	8/95-ADV	08004-24027	1,000.00	.00	1,000.00
			<b>1,000.00</b>	<b>.00</b>	<b>1,000.00</b>
			<b>TOTAL GROSS AMOUNT</b>	<b>TOTAL DISCOUNT</b>	<b>TOTAL NET</b>

PLEASE DETACH BEFORE DEPOSITING

 **General Cigar Co., Inc.**  
320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  **Cubro Corporation**

62 26  
311 0267-09

**057892**

\*\*\*\*\*1,000.00\*  
DOLLARS CENTS

08/08/95 1M-057892  
CHECK DATE BANK CHECK NO.

**AUSTIN MCNAMARA**  
~~XXXXXXXXXX~~

CHECK AMOUNT  
**\$1,000.00**

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

**CHEMICAL BANK DELAWARE**  
2201 Market Street  
Wilmington, Delaware 19801

**NON-NEGOTIABLE**

⑆057892⑆ ⑆03⑆⑆00267⑆⑆ ⑆30⑆⑆402677 509⑆

C 0001039



9 7 0 4 3 7 7 5 6 9 7

Form M 57 B

VOUCHER NO. \_\_\_\_\_

DATE

8/3/95

PLEASE FORWARD CHECK FOR \$ 1,000.<sup>00</sup>

TO

Austin McNamara

ADDRESS \_\_\_\_\_

FOR

Advance

CHARGE CODE NO.

09-1764-099



AUTHORIZED BY



CONFIDENTIAL



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

October 18, 1996

William "Mike" Conder  
c/o General Cigar Co., Inc.  
320 W. Newberry Rd.  
Bloomfield, CT 06002

Re: MUR 4286  
William Conder

Dear Mr. Conder:

Enclosed are materials pertaining to the above-referenced matter, which we attempted to mail to you on August 9, 1996. The materials were returned to us on August 20 as "undeliverable." On October 17, 1996, your secretary Lynn Wood recommended that I send the materials to you at General Cigar's Bloomfield headquarters. If you have any questions, please contact me at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Thomas J. Andersen".

Thomas J. Andersen  
Staff Attorney

97043775698

# Murphy Law Firm

Advocates for People Injured or Accused™

21 Oak Street • Suite 602  
Hartford, CT 06106-8002  
Fax (860) 524-7766  
Bristol (860) 585-1400  
Farmington (860) 678-1900  
Hartford (860) 727-1900

October 22, 1996

Thomas Andersen  
Office of General Counsel  
Federal Election Committee  
Washington, DC 20463

Re: **MUR 4286**  
**Robert Loftus**

Dear Attorney Andersen:

As a follow up to my letter to you dated 10/1/96 and for your information, today Paul Cleveland was convicted of all 25 counts of mail fraud by the federal jury in Alabama. I hope the Commission will take this information into consideration when deciding whether to dismiss the complaint against Robert Loftus.

Thank you.

Cordially,

*Ron Murphy*

Ron Murphy *(RM)*  
Trial Lawyer

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
OCT 28 11 20 AM '96

9  
6  
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7  
7  
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4  
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7  
6

# Murphy Law Firm

Advocates for People Injured or Accused™

21 Oak Street • Suite 602  
Hartford, CT 06106  
Fax 860-524-7766

Bristol 860-585-1400  
Farmington 860-678-1900  
Hartford 860-727-1900

23 October 1996

Atty. Thomas Andersen  
Federal Election Commission  
Washington, DC 20463

Re: MUR 4286 - My client: Robert Loftus

Dear Atty. Andersen:

Enclosed for your records is a copy of the press release issued by the U.S. Attorney's Office of Middle Alabama regarding the conviction of the complainant in the above matter.

Please note that part of the release, which states: "General Cigar Company also cooperated fully during the investigation providing documentation and accounting assistance." That accounting assistance took place under the supervision of Bob Loftus, GC's Chief Financial Officer.

With Cleveland's conviction, the third sentence of the first paragraph of my earlier letter should be changed, to now read: "As far as Cleveland's complaint pertains to Bob Loftus, it is nothing but distorted accusations from a desperate man who IS a convicted felon for stealing \$889,000 from his former employer."

I repeat my request that the FEC dismiss the complaint against Bob Loftus.

As always, if you need additional information, please let me know.

Thank you for your consideration.

Cordially,

*Ron Murphy*

Ron Murphy *(RM)*

Enclosure

cc: Robert Loftus

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Oct 28 11 21 AM '96

9704377570C



**PRESS RELEASE**  
Office of the  
United States Attorney  
Middle District of Alabama  
Redding Pitt

P. O. Box 197 • Montgomery, Alabama 36101 • 334/223-7200

October 22, 1996

Contact Natta Goss  
Press Officer

Redding Pitt, United States Attorney for the Middle District of Alabama, announced that Paul Thomas Cleveland, age 41, of Simsbury, Connecticut, former Senior Vice President of General Cigar Company, was convicted by a jury, after a three-day trial, of twenty-five counts of Mail Fraud. The maximum possible punishment for each count is five years imprisonment and a \$250,000 fine.

United States Attorney Pitt stated, "This is an excellent example of cooperation between federal, state and local law enforcement and the business community. We will continue to vigorously prosecute those who abuse their trusted positions to benefit themselves personally."

According to testimony at the trial, Cleveland devised the scheme to defraud and suggested to Thomas Ross, one of the owners of C.R. Carriers, that C.R. Carriers submit fraudulent freight invoices to General Cigar Company for payment. C.R. Carriers, a Dothan trucking company, hauled freight to and from General Cigar's facility in Dothan. Cleveland then approved the invoices for payment and checks were mailed to C.R. Carriers.

97043775701

SENT BY:

10-23-96 9:42AM :CILBRO CORP. - LEGAL-

800 769 3670

Michael Cody, co-owner of C.R. Carriers, then cashed the checks for the fraudulent invoices. Ross and Cody then split the proceeds from the fraudulent invoices with Cleveland.

Cody and Ross both entered pleas of guilty to one count on June 18, 1996, and are awaiting sentence before Judge W. Harold Albritton. Both testified at Cleveland's trial about their roles in the scheme.

This case was investigated by agents of the United States Customs Service, Alabama Department of Public Safety, Houston County Sheriff's Department, and Dothan Police Department. General Cigar Company also cooperated fully during the investigation providing documentation and accounting assistance.

Judge Albritton has set December 20, 1996, as the date for Cleveland's sentencing. Cleveland remains on bond until his sentencing date.

This case was prosecuted by Assistant United States Attorney Charles R. Niven.

97043775702

share offer for Big B on a rejected four days later, on Friday.

to say other possible bids include Largo, Fla.-based McKessonsocket, R.I.-based Malco operates the CVS chain of 322 stores and about \$800 million in sales, some analysts believe too small to maintain a lot of continued growth in the market, which like to negoti-

ate discount prescription prices in return for business.

Revco, which has 2,308 drugstores in 14 states, owned 1.8 million shares, or 5.4 percent, of Big B's 28 million shares at the time of the offer. Since then, 8,000 shares of outstanding common stock has been tendered to Revco under terms of the deal, Revco said.

Big B has adopted a takeover defense which allows shareholders to buy shares of the company at half price if an unsolicited bidder acquired 10 percent of Big B stock.

from 9 a.m. to 5 p.m. Tuesday. The fair committee will hold an employer reception Monday evening. The registration fee for participating employers is \$150. Job seekers will be admitted free. For information, contact Rod Payne at (304) 240-9285 or John Harris at Maxwell Air Force Base, (304) 242-2822.

From staff reports

# Businessman convicted in fraud case

By Malcolm Daniels  
 ADVERTISER STAFF WRITER

A federal jury in Montgomery has convicted a former Connecticut businessman accused of participating in a scheme to defraud a Dothan cigar company.

After a three-day trial, a jury found Paul Thomas Cleveland, a former senior vice president of General Cigar Co. in Simsbury, Conn., guilty on 23 counts of mail fraud in connection with false invoices submitted to the General Cigar Co. facility in Dothan.

Cleveland could be fined up to \$500,000 and sentenced to up to five years in federal prison on each count. U.S. District Judge Harold Albritton will sentence Cleveland on Dec. 20.

Cleveland was indicted in April, along with Thomas Bridges Ross and Carl Michael Cody, the owners of C.R. Carriers of Dothan, a trucking company that shipped products and materials for General Cigar of Dothan. The three men were accused of submitting \$699,163 in false invoices to the Dothan facility from 1989 until 1995. Ross and Cody in June entered into plea agreements that called for them to plead guilty and testify against Cleveland.

Assistant U.S. Attorney Charles Niven said Ross testified this week that Cleveland, whose job was to approve the invoices, devised the scheme. Ross said Cleveland told him and Cody to submit the false invoices, Mr. Niven said.

U.S. Attorney F. J. Pitt said, "We will continue

to vigorously prosecute those who abuse their trusted positions to benefit themselves personally."

General Cigar Co. has facilities in the Dominican Republic and Jamaica, where cigars are hand-rolled, Mr. Niven said.

The company machine rolls cigars at the Dothan facility, which also serves as a distribution point for the Dominican Republic and Jamaica operations.

Cleveland was responsible for General Cigar Co. operations in Dothan, the Dominican Republic and Jamaica, Mr. Niven said.

Cleveland, Cody, and Ross are accused of submitting bills to General Cigar in Dothan for shipping work that was never performed, and then splitting the \$699,163 gained through the billing. Ross and Cody got half of the money and Cleveland received the other half, prosecutors said.

Mr. Niven said the false billing scheme was discovered during an investigation into marijuana shipments being received at the Dothan cigar facility. Johnny Allen Casey and K.T. Whitlock, two former employees of the Dothan cigar company, pleaded guilty to receiving 60 pounds of marijuana through a shipment to the Dothan company.

The marijuana was shipped in cigar boxes, authorities said. Authorities announced in May that a discovery of a 2,000-pound marijuana shipment to General Cigar Co. in Dothan was being investigated.

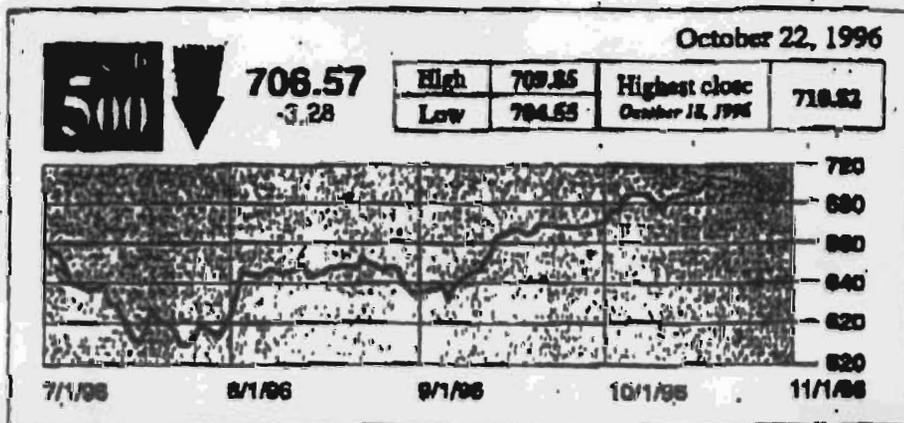
Mr. Niven said Tuesday that the case is still under investigation.

## HIGHLIGHTS

### NASDAQ

National Market  
 Tuesday's volume  
 510,589,000 shares

Stock	Change	Volume	High	Low	Open	Close
IBM	+1/8	17,700	117 1/2	117 1/8	117 1/8	117 3/4
Microsoft	+1/4	10,000	41 1/4	41 1/8	41 1/8	41 3/4
Oracle	+1/4	12,100	28 1/4	28 1/8	28 1/8	28 3/4
Sun	+1/4	7,200	30 1/4	30 1/8	30 1/8	30 3/4
Alcatel	+1/4	7,100	18 1/4	18 1/8	18 1/8	18 3/4
Qualcomm	+1/4	6,200	41 1/4	41 1/8	41 1/8	41 3/4
Telecom	+1/4	1,400	18 1/4	18 1/8	18 1/8	18 3/4
Amgen	+1/4	3,000	68 1/4	68 1/8	68 1/8	68 3/4
Verizon	+1/4	1,200	12 1/4	12 1/8	12 1/8	12 3/4
Oracle	+1/4	1,000	28 1/4	28 1/8	28 1/8	28 3/4



ASSOCIATED PRESS

**SANTOS & SEELEY, P.C.**  
ATTORNEYS AT LAW  
51 RUSS STREET  
HARTFORD, CONNECTICUT 06106-1566

HUBERT J. SANTOS  
HOPE C. SEELEY

TELEPHONE  
(860) 249-6548  
TELECOPIER  
(860) 724-5533

**Via Telefax (202-219-3923)  
& Federal Express**

January 23, 1997

Thomas J. Andersen, Esq.  
Associate Counsel  
Office of the General Counsel  
Federal Election Commission  
999 E. Street, N.W.  
Washington, D.C. 20463

JAN 24 10 21 AM '97

FEDERAL ELECTION COMMISSION  
COMMUNICATIONS SECTION

**Re: MUR 4286 -- Barbara Sambrook**

Dear Mr. Andersen:

As you know, I represent Barbara Sambrook in connection with the above-referenced matter. In a recent discussion with Kenneth Gross, he informed me about the status of the discussions that he has been engaged in with you in connection with this matter. Please accept this letter as the submission on behalf of Barbara Sambrook in response to your conversations with Mr. Gross.

Ms. Sambrook, who is 54 years old, has been employed as a secretary to Austin McNamara, the President of General Cigar Co., Inc., since February of 1994. Prior to working at General Cigar, she was employed as a secretary at United Technologies Corporation for seventeen years. Ms. Sambrook always has been a devoted and well-respected employee.

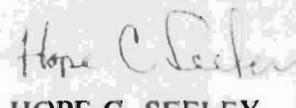
97043775704

Mr. Cleveland's complaint marks the first time that Ms. Sambrook has ever been accused of engaging in misconduct. However, his complaint fails to provide any factual information which could lead a reasonable person to determine that Ms. Sambrook knowingly assisted in the making of contributions in the name of others in violation of 2 U.S.C. § 441f. It is my understanding that Cleveland -- who was convicted last fall of stealing \$899,000 from his former employer -- claimed that between July 12 and July 20, 1995, he was "pressured on multiple occasions to provide [a] personal check to the 'Bob Dole For President' campaign" by Ms. Sambrook. He further claims that on July 20, 1995, he wrote a check and "[a]t Mr. McNamara's direction," he gave it to Ms. Sambrook. Thus, it is clear from Mr. Cleveland's allegations that Ms. Sambrook was merely carrying out a request of her boss by reminding Cleveland that he had stated to Mr. McNamara that he would contribute to the Dole campaign. It is interesting to note that Cleveland's complaint lacks any specific details as to how Ms. Sambrook supposedly "pressured" him, nor are there any specific allegations that Ms. Sambrook did anything to assist McNamara. She simply asked Cleveland if he had his check and he later provided her with it "at Mr. McNamara's direction." Cleveland alleged that it was Mr. McNamara who sent the check to the Dole campaign office.

I respectfully submit that Ms. Sambrook's alleged conduct does not meet the statutory requirements for a violation of 2 U.S.C. § 441f. Since there is no evidence that Ms. Sambrook knew that the company would be reimbursing Cleveland for his contribution to the Dole campaign, she did not "knowingly assist in the making of contributions in the name of others." Mr. McNamara's request of her to remind Cleveland that he had agreed to contribute to the Dole campaign appeared to be an innocent request and it is unreasonable to charge Ms. Sambrook with misconduct for carrying out her duties. Accordingly, I urge the FEC to dismiss the complaint as it relates to Ms. Sambrook.

Thank you for your consideration in this matter. If there is anything else you need in order to fully evaluate Ms. Sambrook's position, please do not hesitate to contact me.

Very truly yours,

  
HOPE C. SEELEY

HCS/etm

9704375705

**STATEMENT OF DESIGNATION OF COUNSEL**

**FORM 4204**

**NAME OF COUNSEL:** KENNETH A. CROSS

**ADDRESS:** Sheldon, Arps et al  
1440 New York Avenue, N.W.  
Washington, D.C. 20005

**TELEPHONE:** (202) 371-7007

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.

2/25/87  
**Date**

  
**Signature**

**RESPONDENT'S NAME:** Mike Conder

**ADDRESS:** 320 W. Newberry Rd.  
Bloomfield CT 06002

**HOME PHONE:** 502-254-2513

**BUSINESS PHONE:** 800-955-5996

9 1 0 4 3 7 7 5 7 0 6

# Murphy Law Firm

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

MAR 18 10 23 AM '97

Advocates for People Injured or Accused™  
195 Farmington Ave • Suite 205  
Farmington, CT 06032-1700  
Farmington 860-678-1900  
Hartford 860-727-1900  
Bristol 860-585-1400  
Fax 860-409-0500  
advocates.murphy@snet.net

14 March 1997

Atty. Thomas Anderson  
Federal Election Comm. - General Counsel's Office  
Washington, DC 20463

Re: **MUR 4286 General Cigar et al.**  
**Change of Address**

Dear Tom:

Please note that effective 3/10/97, we have moved our main office to Farmington. Our new mailing address is:

195 Farmington Avenue - Suite 205  
Farmington, CT 06032-1700.

Our new FAX number is: 860-409-0500. Our phone numbers have NOT changed. Our e-mail address remains the same: [advocates.murphy@snet.net](mailto:advocates.murphy@snet.net).

We still have our office in Hartford, but it is now a branch office and not our main office. So please send all mail and faxes to the Farmington office. We also still have a branch office in Bristol.

Thanks and we look forward to hearing from you.

Cordially,

*Ron Murphy* (RM)

Atty. Ron Murphy

97043775707



FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20463

MEMORANDUM

TO: Office of the Commission Secretary  
FROM: Office of General Counsel *pd*  
DATE: April 2, 1997  
SUBJECT: MUR 4286 - General Counsel's Report

The attached is submitted as an Agenda document  
for the Commission Meeting of \_\_\_\_\_  
Open Session \_\_\_\_\_  
Closed Session \_\_\_\_\_

CIRCULATIONS		DISTRIBUTION	
72 Hour Tally Vote	( XX )	Compliance	( XX )
Sensitive	( XX )	Audit Matters	( )
Non-Sensitive	( )	Litigation	( )
24 Hour Tally Vote	( )	Closed Letters	( )
Sensitive	( )	MUR	( )
Non-Sensitive	( )	DSP	( )
24 Hour No Objection	( )	Status Sheets	( )
Sensitive	( )	Advisory Opinions	( )
Non-Sensitive	( )	Other (See Distribution below)	
Information	( )		
Sensitive	( )		
Non-Sensitive	( )		
Other	( )		

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RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

**BEFORE THE FEDERAL ELECTION COMMISSION**

Apr 2 11 29 AM '97

In the Matter of )

General Cigar, *et al.* )

MUR 4286

**GENERAL COUNSEL'S REPORT**

**SENSITIVE**

**I. BACKGROUND**

This matter involves the reimbursement by General Cigar Co., Inc. ("GCC") of a total of \$11,000 in contributions made by seven of its employees to federal candidate committees. On July 30, 1996, the Commission found reason to believe that GCC, its President Austin McNamara and its Chief Financial Officer Robert Loftus each knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f. The Commission also found reason to believe that Mr. McNamara's secretary Barbara Sambrook and five other GCC employees each violated 2 U.S.C. § 441f.

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## II. RESPONSES

As explained in the First General Counsel's Report, there appear to have been three occasions on which GCC employees made campaign contributions that were reimbursed by the company: In 1994, five \$1,000 contributions were made to Friends of Newt Gingrich ("Gingrich Committee"); in April 1995, one \$1,000 contribution was made to the Committee for Sam Gibbons ("Gibbons Committee"); and in August 1995, five \$1,000 contributions were made to Dole for President, Inc. ("Dole Committee").<sup>2</sup> The responses provide new information and supporting documents regarding the company's investigation results, including the role of each respondent in the making and reimbursement of the contributions.

GCC claims that in August 1994, Mr. McNamara asked four GCC employees to make contributions to the Gingrich Committee and told them that GCC would reimburse them for their contributions. Shortly thereafter, these individuals and Mr. McNamara each contributed \$1,000 to the Gingrich Committee. See Attachment 1 at 3. After the contributions were made, the contributors submitted check requisition vouchers to GCC's accounting department in order to receive their reimbursements. *Id.* at 14, 17, 20, 23, 26. The vouchers stated that the reimbursements were for a "donation to Friends of Newt Gingrich," except for one that referred to a "charity contribution." *Id.* at 23. GCC then recorded them in their "Donations/Contributions" account and fully reimbursed each

<sup>2</sup> Three respondents made contributions to more than one committee.

individual contributor. *Id.* at 12, 13, 15, 16, 18, 19, 21, 22, 24, 25. GCC claims that “[a]lthough Mr. McNamara was aware generally of the \$1,000 contribution limit, he and the other contributors were unaware that the reimbursement of those contributions was prohibited.” *Id.* at 3.

Mr. McNamara contributed \$1,000 to the Gibbons Committee in April 1995 and then sent a copy of the check and cover letter to GCC’s accounting department for purposes of reimbursement. See Attachment 1 at 30-31. GCC reimbursed him in full and recorded the reimbursement as a donation. *Id.* at 28-29. GCC claims that Mr. McNamara was still unaware at the time that such reimbursements were unlawful. *Id.* at 4.

In or around July 1995, Mr. McNamara approached four GCC executives and asked them to contribute to the Dole Committee, indicating that they would be reimbursed as had been the case with the Gingrich Committee contributions. See Attachment 1 at 4. Mr. McNamara and the four executives then each contributed \$1,000 to the Dole Committee. GCC states that the first contributor, William B. Currier, submitted an expense report requesting reimbursement for a “Donation to Bob Dole for President,” and that Mr. Currier received a \$1,000 reimbursement check from GCC on July 27, 1995. *Id.* at 5.

GCC claims that Robert Loftus first became aware of the reimbursements when the remaining contributors requested them during the last week of July 1995. Attachment 1 at 5. At that time, he asked an employee in GCC’s financial department to forward the reimbursement forms for his approval. GCC states that as a result of his discussions with the contributors, Loftus “became concerned that there might be a violation of corporate

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policy or even a violation of law." *Id.* Mr. Loftus supposedly then informed Mr. McNamara "that he thought that the reimbursements might be improper and proposed that the reimbursement checks be converted to advances . . . ." By treating the checks in this fashion, "Mr. Loftus understood that the monies were no longer a corporate obligation on the books of General Cigar and that the employees would be obligated to repay the advances if the contributions were found to be unlawful . . . ." *Id.* Ultimately, Mr. McNamara reimbursed the company for the full amount of the Dole Committee contributions. *Id.* at 50-51. GCC has provided copies of checks, payment vouchers and voucher aprons to support its contentions. *Id.* at 35-49.

GCC claims that while Mr. Loftus' actions may have been "an imperfect solution," they do not evidence a willful intent to violate the law: "Every step was conducted openly, plainly and in light of day, a fact entirely inconsistent with a deliberate, intentional violation." See Attachment 1 at 9. As for Mr. McNamara, GCC asserts that he "did not make his requests to the individual contributors in secret and never suggested that the contributors should conceal the reimbursements." *Id.* at 7. The responses submitted by Messrs. McNamara and Loftus also highlight the open manner in which the reimbursements occurred. See Attachment 2 at 3; Attachment 3 at 2.

The response from Barbara Sambrook, Attachment 4, denies Complainant's assertion that she "pressured [him] on multiple occasions" to provide a contribution check to the Dole Committee. She was "merely carrying out a request of her boss [Mr. McNamara] by reminding" Complainant that he had told Mr. McNamara that he would make a contribution. *Id.* at 2. The response concludes that no violation of 2 U.S.C.

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§ 441f occurred because "there is no evidence that Ms. Sambrook knew that the company would be reimbursing [Complainant] for his contribution to the Dole campaign." *Id.*

**III. DISCUSSION OF CONCILIATION AGREEMENT**

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**III. CONCLUSION**

**This Office believes that the attached conciliation agreement accurately describes the violations that occurred and holds the major players accountable for their actions, while allowing the Commission to conclude this matter and devote resources that otherwise would be dedicated to the next stage of the enforcement process to more current matters.**

**Accordingly, this Office recommends that the Commission take no further action against Robert Loftus, Barbara Sambrook and the following individual contributors: William B. Currier, John M. Rano, David Burgh, William Conder and Frank G. Fina. We recommend that appropriate admonishment letters be sent to each of these respondents. This Office further recommends that the Commission accept the attached proposed conciliation agreement with GCC and Austin McNamara, and that it approve the appropriate letters and close the file.**

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**IV. RECOMMENDATIONS**

1. Approve the attached proposed joint conciliation agreement with General Cigar Co., Inc. and Austin McNamara.
2. Take no further action against Robert Loftus, Barbara Sambrook, William B. Currier, John M. Rano, David Burgh, William Conder and Frank G. Fina.
3. Approve the appropriate letters.
4. Close the file.

Lawrence M. Noble  
General Counsel

4/1/97  
Date

BY: [Signature]  
Lois G. Lerner  
Associate General Counsel

**Attachments:**

1. Response from GCC
2. Response from Austin McNamara
3. Response from Robert Loftus
4. Response from Barbara Sambrook
5. Proposed joint conciliation agreement

Staff Assigned: Thomas J. Andersen

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3. Approve the appropriate letters, as recommended in the General Counsel's Report dated April 1, 1997.
  
4. Close the file.

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

Attest:

4-7-97

Date

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

Received in the Secretariat:	Wed., Apr. 02, 1997	11:28 a.m.
Circulated to the Commission:	Wed., Apr. 02, 1997	4:00 p.m.
Deadline for vote:	Mon., Apr. 07, 1997	4:00 p.m.

bjr

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 16, 1997

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

Paul T. Cleveland  
33 Pine Glen Road  
Simsbury, CT 06070

RE: MUR 4286  
General Cigar, *et al.*

Dear Mr. Cleveland:

This is in reference to the complaint you filed with the Federal Election Commission on December 6, 1995, concerning corporate reimbursements of contributions made by employees of General Cigar Co., Inc.

The Commission found that there was reason to believe that General Cigar Co., Inc. and Austin McNamara each violated 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"), and conducted a limited investigation in this matter. On April 7, 1997, a conciliation agreement signed by these respondents was accepted by the Commission. Accordingly, the Commission closed the file in this matter on April 7, 1997. A copy of this agreement is enclosed for your information.

The Commission also found reason to believe that Robert Loftus violated 2 U.S.C. §§ 441b(a) and 441f, and that Barbara Sambrook, William B. Currier, John M. Rano, David Burgh, William Conder and Frank G. Fina each violated 2 U.S.C. § 441f. The Commission took no further action against these respondents and sent admonishments to them. The Commission found no reason to believe that Friends of Newt Gingrich and Briggs Goggans, as treasurer, or Dole for President, Inc., and Robert E. Lighthizer, as treasurer, violated any provision of the Act in this matter.

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

Sincerely,

*Thomas J. Andersen*

Thomas J. Andersen  
Attorney

Enclosure  
Conciliation Agreement

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 18, 1997

Kenneth Gross, Esq.  
Skadden, Arps, Slate, Meagher & Flom  
1440 New York Ave., N.W.  
Washington, D.C. 20005-2111

RE: MUR 4286  
General Cigar Co., Inc.  
William B. Currier  
John M. Rano  
David Burgh  
William Conder  
Frank G. Fina

Dear Mr. Gross:

On April 7, 1997, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of General Cigar Co., Inc., your client, in settlement of violations of 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. On the same date, the Commission determined to take no further action against William B. Currier, John M. Rano, David Burgh, William Conder and Frank G. Fina, your clients. Accordingly, the file has been closed in this matter.

The Commission reminds you that permitting one's name to be used to effect contributions is a violation of 2 U.S.C. § 441f. Your clients should take steps to ensure that this activity does not occur in the future.

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

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Information derived in connection with any conciliation attempt will not become public without the written consent of the respondents 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. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 219-3690.

Sincerely,

*Thomas J. Andersen*

Thomas J. Andersen  
Attorney

Enclosure  
Conciliation Agreement

97043775721

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 4286  
General Cigar Co., Inc., et al. )

Mar 7 9 53 AM '97

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Paul T. Cleveland. The Federal Election Commission ("Commission") found reason to believe that General Cigar Co., Inc., Austin T. McNamara and Robert Loftus knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Commission also found reason to believe that Barbara Sambrook violated 2 U.S.C. § 441f. "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 has foregone a full investigation, and accordingly, has neither considered nor made a finding as to whether there is probable cause to believe violations in this matter were knowing and willful.

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NOW, THEREFORE, the Commission and General Cigar Co., Inc. ("GCC") and Austin McNamara ("Respondents"), having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over 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. Respondent GCC is a Delaware corporation and a person within the meaning of 2 U.S.C. § 431(11).
2. Respondent Austin T. McNamara is President of GCC and an individual contributor.
3. Robert Loftus is Vice-President and Chief Financial Officer of GCC.
4. Barbara Sambrook is Mr. McNamara's secretary.

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5. William B. Currier, John M. Rano, William Conder, and Frank G. Fina are all employees of GCC and individual contributors. David Burgh is a former employee of GCC and an individual contributor.

6. Pursuant to 2 U.S.C. § 441b(a), corporations are prohibited from making contributions or expenditures from their general treasury funds in connection with any election of any candidate for federal office. In addition, section 441b(a) prohibits any officer or director of any corporation from consenting to any contribution or expenditure by the corporation.

7. 2 U.S.C. § 441a(a)(1)(A) limits contributions by an individual to a federal candidate and the candidate's authorized political committees to \$1,000 per election.

8. 2 U.S.C. § 441f makes it unlawful for any person to make a contribution in the name of another, or for any person to knowingly permit his or her name to be used to make such a contribution. Such a violation may occur if a person gives funds to a straw donor for the purpose of having the person or entity pass funds on to a federal candidate as his, her or its own donation. In addition, no person may knowingly help or assist any

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person in making a contribution in the name of another.

II C.F.R. § 110.4(b)(1)(iii).

9. During the 1993-94 election cycle, Messrs. McNamara, Currier, Rano, Burgh and Conder each made a \$1,000 contribution to Friends of Newt Gingrich ("Gingrich Committee"). The five contributions were received by the Gingrich Committee on September 27, 1994.

10. During the 1995-96 election cycle, Mr. McNamara made a \$1,000 contribution to the Committee for Sam Gibbons ("Gibbons Committee"). The contribution was received by the Gibbons Committee on April 21, 1995.

11. During the 1995-96 election cycle, Messrs. McNamara, Cleveland, Currier, Rano, and Fina each made a \$1,000 contribution to Dole for President, Inc. ("Dole Committee"). The five contributions were received by the Dole Committee on August 1, 1995.

12. GCC reimbursed in full each employee who made the above contributions, totaling \$11,000. Mr. McNamara consented to each of the reimbursements.

13. Respondent McNamara assisted in the making of the contributions by soliciting the GCC employees to contribute to the Gingrich Committee and to the Dole Committee. Robert Loftus was requested by the individual contributors to authorize the reimbursements of the

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Dole contributions but contends that he did not know whether reimbursement would be proper and therefore treated the reimbursements as advances to create accounts receivable on GCC's books subject to being reclassified until the propriety of reimbursement could be resolved.

14. The recipient committees have refunded all of the contributions to the employees involved.

V. 1. Respondent GCC violated 2 U.S.C. §§ 441b(a) and 441f by making \$11,000 in corporate contributions in the name of others.

2. Respondent Austin T. McNamara violated 2 U.S.C. §§ 441b(a) and 441f by consenting to and by assisting in the making of corporate contributions in the names of others, and by permitting his name to be used to effect contributions.

VI. 1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of eighty thousand dollars (\$80,000), pursuant to 2 U.S.C. § 437g(a)(5).

2. Respondents shall provide the Commission with evidence of such demonstrating that all contributions refunded by the recipient committees have been disgorged to the U.S. Treasury or reimbursed to GCC.

VII. 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.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. 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.

X. 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.

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FOR THE COMMISSION:  
Lawrence M. Noble  
General Counsel

BY: *L G Lerner*  
Lois G. Lerner  
Associate General Counsel

4/15/97  
Date

FOR THE RESPONDENTS:

General Cigar Co.

*Kenneth A. Gross*  
Kenneth A. Gross  
Attorney

3/5/97  
Date

Austin T. McNamara

*Ethan Levin-Epstein*  
Ethan Levin-Epstein  
Attorney

3/6/97  
Date

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**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

April 16, 1997

Ethan A. Levin-Epstein, Esq.  
Garrison, Phelan, Levin-Epstein & Penzel, P.C.  
405 Orange St.  
New Haven, CT 06511

RE: MUR 4286  
Austin McNamara

Dear Mr. Levin-Epstein:

On April 7, 1997, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of violations of 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. 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.

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.

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Ethan Levin-Epstein, Esq.

MUR 4286

Page 2

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 219-3690.

Sincerely,

*Thomas J. Andersen*

Thomas J. Andersen  
Attorney

Enclosure  
Conciliation Agreement

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**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

**April 10, 1997**

**Kenneth Gross, Esq.**  
**Douglas C. Wurth, Esq.**  
**Skadden, Arps, Slate, Meagher & Flom**  
**1440 New York Ave., N.W.**  
**Washington, D.C. 20005-2111**

**RE: MUR 4286**  
**Dole for President, Inc., and**  
**Robert E. Lighthizer, as treasurer**

**Dear Messrs. Gross and Wurth:**

**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) 219-3690.**

**Sincerely,**

*Thomas J. Andersen*

**Thomas J. Andersen**  
**Attorney**

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 16, 1997

Jan Witold Baran, Esq.  
Wiley, Rein & Fielding  
1776 K St., N.W.  
Washington, D.C. 20006

RE: MUR 4286  
Friends of Newt Gingrich and  
Briggs Goggans, as treasurer

Dear Mr. Baran:

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) 219-3690.

Sincerely,

*Thomas J. Andersen*

Thomas J. Andersen  
Attorney

97043775732



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 16, 1997

Hope C. Seeley, Esq.  
Santos & Seeley, P.C.  
51 Russ Street  
Hartford, CT 06106-1566

RE: MUR 4286  
Barbara Sambrook

Dear Ms. Seeley:

On August 9, 1996, you were notified that the Federal Election Commission had found reason to believe that Barbara Sambrook, your client, violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. On January 24, 1997, you submitted a response to the Commission's reason to believe findings. After considering the circumstances of the matter, the Commission determined on April 7, 1997, to take no further action against Barbara Sambrook and closed the file in this matter.

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

The Commission reminds you that assisting in the making of contributions in the name of others is a violation of 2 U.S.C. § 441f. Your client should take steps to ensure that this activity does not occur in the future.

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

Sincerely,

Thomas J. Andersen  
Attorney

97043775733



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 16, 1997

Ron Murphy, Esq.  
Murphy Law Firm  
195 Farmington Avenue  
Suite 205  
Farmington, CT 06032-1700

RE: MUR 4286  
Robert Loftus

Dear Mr. Murphy:

On August 9, 1996, you were notified that the Federal Election Commission had found reason to believe that Robert Loftus, your client, violated 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. On October 1, 1996, you submitted a response to the Commission's reason to believe finding. After considering the circumstances of the matter, the Commission determined on April 7, 1997, to take no further action against Robert Loftus and closed the file in this matter.

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

The Commission reminds you that consenting to corporate contributions and assisting in the making of contributions in the name of others are violations of 2 U.S.C. §§ 441b(a) and 441f, respectively. Your client should take steps to ensure that this activity does not occur in the future.

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

Sincerely,

*Thomas J. Andersen*

Thomas J. Andersen  
Attorney

97043775735

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

1440 NEW YORK AVENUE, N.W.  
WASHINGTON, D.C. 20005-2111

TEL: (202) 371-7000  
FAX: (202) 393-5760

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DIRECT DIAL  
(202) 371-7007  
DIRECT FAX  
(202) 371-7956

April 24, 1997

**BY HAND**

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

**CLOSED**

Re: MUR 4286; General Cigar and  
Austin McNamara

APR 24 5 01 PM '97

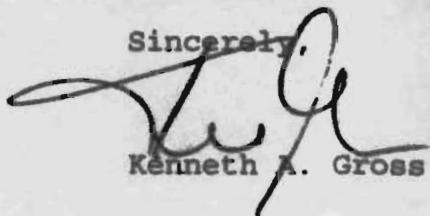
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Dear Tom:

Enclosed please find a Statement of Respondents  
for inclusion in the public record of MUR 4286.

Thank you for your assistance in this matter.

Sincerely,



Kenneth A. Gross

Enclosure

97043775736

**STATEMENT OF RESPONDENTS**

A Conciliation Agreement entered into between the Federal Election Commission (FEC), General Cigar Co., Inc., and its President, Austin T. McNamara, is the end result of "Matter Under Review" prompted by a claim filed by Paul Cleveland. The Conciliation Agreement became effective on April 15, 1997. Paul Cleveland is a disgruntled and dishonest former employee whose credibility has been destroyed by his conviction on twenty-five counts of federal mail fraud that he committed against General Cigar.

In 1994 and 1995 several contributions were made to the campaign effort of Senator Bob Dole and Congressmen Newt Gingrich and Sam Gibbons by various employees of General Cigar Co., Inc. Because of an innocent misunderstanding of the law, the contributions were mistakenly and inappropriately reimbursed by the Company. Among the employees making the contributions was Paul Cleveland, the then Vice President of Operations. The contributions totaled \$11,000.

During the summer of 1995, an internal investigation was begun by General Cigar into unexplained irregularities in certain business transactions it had with a trucking company in Alabama over which Cleveland had exclusive control. During the course of the investigation it was determined that, for more than seven years, Cleveland had systematically embezzled company funds by authorizing the payment of phony invoices from the trucking company and splitting the proceeds with its owners. The thefts totaled almost \$1,000,000.

On August 31, 1995 Cleveland was suspended by Mr. McNamara for his disloyal and dishonest conduct. Shortly thereafter he was terminated. On March 29, 1997, the State of Connecticut upheld the termination, noting in the decision that Cleveland was discharged by General Cigar for conduct constituting larceny.

Cleveland responded to his termination by filing a lawsuit against General Cigar and Mr. McNamara in which he alleged that he was wrongfully fired because he had threatened to disclose a variety of illegal acts that he claimed had been going on at General Cigar.

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Among those acts were the campaign contributions described above.

In an attempt to bolster his bogus lawsuit, Cleveland went to various government agencies to "inform" them of General Cigar's "illegal conduct." Among the agencies he contacted was the Federal Election Commission.

The FEC opened this Matter Under Review based on allegations in Cleveland's complaint and, relying exclusively on those completely uncorroborated allegations, the FEC invited General Cigar, McNamara and others to respond to Cleveland's claim that the reimbursements were intentional violations of the law.

General Cigar, McNamara and others wrongfully named by Cleveland cooperated fully with the FEC, and provided it with a full explanation of the circumstances surrounding the reimbursement of the contributions, as well as voluminous documents that made it absolutely clear that the reimbursements were simply an innocent mistake. The pre-existing business records of General Cigar that the Company and McNamara voluntarily provided to the FEC left no doubt that Mr. McNamara and others always believed that it was proper for the Company to reimburse its employees and that there was never any effort to conceal that reimbursements of political contributions had been made. Moreover, the contributions were reimbursed by the campaigns because General Cigar initiated the process of reversing the transaction prior to Cleveland's FEC complaint. After a careful review of the Company's and Mr. McNamara's responses, the FEC found that, although the law had been violated, it was a technical violation.

In late April 1996, Paul Cleveland and the owners of the trucking company were indicted by a federal grand jury in Montgomery, Alabama and charged with twenty-five counts of mail fraud for the embezzlement of General Cigar's funds. The truckers pleaded guilty and testified against Cleveland. On October 22, 1996, Cleveland was tried and found guilty of every count. He was sentenced to serve 46 months in a federal penitentiary and ordered to make full restitution of the monies he stole from the company.

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General Cigar and Austin McNamara have always maintained that the reimbursement of the campaign contributions was a mistake and a violation of company policy but one borne of ignorance not malice. In short, if they had known then what they know now, the contributions would never have been reimbursed.

Every one of Cleveland's allegations has been thoroughly investigated by no fewer than four separate federal government agencies, including a federal grand jury which concluded that no further action was warranted. General Cigar and Mr. McNamara cooperated fully with every investigation. Every one of Cleveland's accusations has been proven unfounded and his conviction on twenty-five felony counts completely discredits him and his false claims against General Cigar and Austin McNamara.

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**General Cigar Holdings, Inc.**

387 Park Avenue South  
New York, N.Y. 10016  
212/448-3800

RECEIVED  
FEDERAL ELECTION  
COMMISSION MAIL ROOM

MAY 15 9 14 AM '97

**A. Ross Wollen**  
Senior Vice President  
General Counsel and Secretary  
212/448-3820  
FAX: 212/561-8791

May 12, 1997

**Lawrence Noble**  
General Counsel  
Federal Election Commission  
Washington, DC 20463

Attention: Lois G. Lerner  
Associate General Counsel

Ladies and Gentlemen:

With reference to the Conciliation Agreement In the Matter of General Cigar Co., Inc. et. al. (MUR 4286), we enclose herewith our check in the amount of \$80,000 in accordance with ¶VI.1. of such Conciliation Agreement.

Very truly yours,  
*A. Ross Wollen*

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**General Cigar Co., Inc.**

320 West Newberry Rd.  
Bloomfield, CT 06002-1398

a company of  
Culbro Corporation



62-26  
311

0267-09

076963

\*\*\*Eighty thousand dollars and 00/100\*\*\*  
DOLLARS CENTS

05/09/97 G 076963  
CHECK DATE BANK CHECK NO.

Federal Election Commission

CHECK AMOUNT  
\*\*\*\*\*\$80,000.00\*\*\*\*

**CHEMICAL BANK DELAWARE**  
1201 Market Street  
Wilmington, Delaware 19801

AMOUNTS IN EXCESS OF \$5000.00  
MUST BE COUNTERSIGNED

*Charles McMillan*  
*Dennis*

⑈076963⑈ ⑆031100267⑆ 6301402677 509⑈

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

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RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL COUNSEL

May 16, 1997

**TWO WAY MEMORANDUM**

TO: OGC Docket **CLOSED**  
FROM: Leslie D. Brown  
Disbursing Technician  
SUBJECT: Account Determination for Funds Received

We recently received a check from **General Cigar Co, Inc**, check number **76963**, dated **May 9, 1997**, for the amount of **\$80,000.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

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=====

TO: Rosa E. Swinton                      Leslie D. Brown  
Accounting Technician                  Disbursing Technician  
FROM: OGC Docket  
SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$ 80,000, the MUR/Case number is 4286 and in the name of General Cigar Co.. Place this deposit in the account indicated below:

- Budget Clearing Account (OGC), 95F3875.16
- Civil Penalties Account, 95-1099.160
- Other: \_\_\_\_\_

Retha L. Ripon  
Signature

5/19/97  
Date



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4286

DATE FILMED 5-27-97 CAMERA NO. 6

CAMERAMAN JMIJ

97043775743



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Date: 12/16/97

           Microfilm

           Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED NUR 4286

57043851149

DIRECTOR/  
FEDERAL ELECTION COMMISSION

CLOSED

~~45797~~  
12/8/97

MR 4286

I SEE YOU HAVE FINED GENERAL CIGAR C.  
FOR CONTRIBUTIONS TO CONG JINGRICH & THE  
REPUBLICAN CAMPAIGN OF SEN DOLE.  
THERE HAS BEEN SUBSTANTIAL EVIDENCE OF ILLEGAL  
CONTRIBUTIONS INVOLVING THE ADMINISTRATION  
OF THE PRESIDENT, THE STAFF, THE VICE PRESIDENT &  
THE DEMOCRATIC NATIONAL COMMITTEE. PLEASE  
ADVISE WHAT ACTIONS THE FEDERAL ELECTION  
COMMISSION HAS TAKEN REGARDING THESE PUBLICLY  
& WIDELY DOCUMENTED ACTIVITIES.

CLOSED

Thomas R. Leithouser

THOMAS LEITHAUSER, CLU  
7314 NW SUMMITVIEW DR.  
PORTLAND, OR 97229-4253  
503-297-9520

DEC 15 10 35 AM '97

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