



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4331

DATE FILMED 7-26-96 CAMERA NO. 2

CAMERAMAN MRS

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OFFICE OF INDEPENDENT COUNSEL
DONALD C. SMALTZ
In re Secretary of Agriculture Espy

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

OCT 27 3 21 PM '95

P.O. Box 26356
103 Oronoco Street, Suite 200
Alexandria, VA 22313
(703) 760-0010
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October 27, 1995

HAND DELIVERED

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

Dear Mr. Noble:

Re: Robinson Lake Lerer and Montgomery

Today, I wrote you concerning the guilty plea of James H. Lake for violation of the Federal Election Campaign Act.

Based on what we now know, we have decided not to prosecute Mr. Lake's company, Robinson, Lake, Lerer & Montgomery (hereafter Robinson Lake) or its parent companies.

We did however, obtain from Robinson Lake an agreement that they were vicariously liable for Mr. Lake's action and that they would submit themselves to the jurisdiction of the Commission and pay whatever fine the Federal Election Commission deems appropriate.

The agreement - which also requires all the Lake related companies to enhance their internal control procedures, is attached, along with the Lake plea papers.

The purpose of this letter is to refer this matter to the Commission for whatever administrative enforcement it considers appropriate. We are referring this matter directly to you at the suggestion of Craig C. Donsanto, Department of Justice, Criminal Division.

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Consistent with Rule 6(e) of the Federal Rules of Criminal Procedure and investigative considerations in our ongoing case, we are prepared to share with your staff investigative materials pertaining to the FECA violations to which Mr. Lake pled guilty.

Please call me regarding how we can be of assistance.

Sincerely,

DONALD C. SMALTZ
Independent Counsel

By:


Theodore S. Greenberg
Special Counsel

cc: Craig Donsanto

96043742019

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

_____)
) Criminal No. 95- 261
UNITED STATES OF AMERICA)
) Violations:
-v-)
) 18 U.S.C. §§ 1343, 1346
) (Wire Fraud)
JAMES H. LAKE,)
) 2 U.S.C. § 441b (a)
Defendant.) (Illegal Corporate Campaign
) Contribution)
)
) 2 U.S.C. § 441f
) (Illegal Conduit Campaign
) Contribution)
)
) 18 U.S.C. § 2
) (Aiding and Abetting)
_____)

INFORMATION

The Independent Counsel charges:

COUNT ONE

Introduction

At all times relevant to this Information:

1. JAMES H. LAKE, the defendant, was a founding "partner" of Robinson Lake. Lerer & Montgomery, Inc., d/b/a "Robinson Lake Sawyer Miller" (hereinafter, "Robinson Lake" or "RLSM").
2. Robinson Lake's principal place of business was in New York, New York.
3. Robinson Lake did business as "Robinson Lake Sawyer Miller" (RLSM).

In addition to its New York operation, RLSM conducted business through its Washington, D.C. office. This Information concerns the activities of the Washington, D.C. office of RLSM.

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4. JAMES H. LAKE, the defendant, was in charge of the Washington, D.C. office and held the position of chairman of the board of directors of Robinson, Lake, Lerer & Montgomery, Inc.

5. Until on or about June 1, 1994, RLSM maintained its Washington, D.C. office at 1667 K Street, N.W. On or after June 1, 1994, RLSM's Washington, D.C. office was located at 1501 M Street, N.W.

6. RLSM was owned and controlled by and was a wholly-owned subsidiary of Bozell Worldwide, Inc. (hereinafter, "Bozell" or "Bozell, Inc."), which in turn is owned and controlled by Bozell, Jacobs, Kenyon & Eckhardt, Inc., a Delaware corporation, with its principal place of business in New York, New York.

7. Among the principal businesses of RLSM was lobbying, public relations, communications management, including business related to and before the United States Department of Agriculture.

8. A large California agricultural cooperative corporation ("Corporation X") was one of the most important and long standing agricultural clients of RLSM. Corporation X had various matters then pending before the United States Department of Agriculture.

9. Corporation X's principal place of business was in California, where it grew, produced, processed and marketed the agricultural products of its cooperative members.

a. Since in or about September 1983, a senior official at Corporation X was responsible for Corporation X's Washington, D.C. based political and lobbying activities. This corporate official, among other things, supervised Corporation X's relationship with RLSM and the activities of defendant JAMES H. LAKE, who reported to this official. This corporate official also directed Corporation X's political and other contributions.

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b. JAMES H. LAKE, the defendant, was listed on Corporation X's organizational chart for Corporate Affairs as being responsible for Corporation X's Washington, D.C. office.

c. A senior official at Corporation X maintained an office at RLSM in Washington, D.C.

d. RLSM handled, in part, Corporation X's public relations and lobbying activities, including representing Corporation X's interests before the United States Department of Agriculture. RLSM was on a monthly retainer arrangement plus expenses with its client, Corporation X.

10. On or about March 30, 1993, Henry Espy lost a special primary election for the Democratic nomination for United States Congress in Mississippi. The special election was held to fill the Mississippi second congressional district seat vacated by Michael Espy, who resigned to become the United States Secretary of Agriculture.

11. As the result of Henry Espy's unsuccessful campaign for Congress, certain campaign debts were incurred. By in or about March 1994, the campaign debt was in excess of \$75,000.

a. The Henry Espy for Congress Committee was registered as a principal campaign committee with the Federal Election Commission and was designated and authorized by Henry Espy, pursuant to the Federal Election Campaign Act (FECA), to receive contributions and make expenditures in connection with the candidacy of Henry Espy for United States Congress.

b. FECA, namely, Title 2, United States Code, Section 441b, prohibited, in part and among other things, the contribution or expenditure of corporate assets, whether directly or indirectly, to a campaign of a candidate seeking Federal office.

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c. FECA, namely, Title 2, United States Code, Section 441f, further prohibited, in part and among other things, the making of a disguised contribution to a campaign of a candidate seeking Federal office through a straw donor, or conduit, for the purpose of having the conduit, rather than the true source, pass the funds on to a Federal candidate, or, alternatively, reimbursement of the contribution by the true source to the straw donor which, in effect, converts the donor's contribution to that of the true source.

The Scheme to Defraud

12. From in or about March 1994 until in or about June 1994, in the District of Columbia and elsewhere, JAMES H. LAKE, the defendant, and others known and unknown, devised and intended to devise a scheme and artifice to defraud, and to deprive another, namely, Bozell, Inc. and RLSM, of the intangible right of honest services, and for obtaining money and property from Bozell, Inc. by, among other things:

- a. creating and causing the creation of a false expense report seeking reimbursement from Bozell, Inc. of money purportedly expended by defendant JAMES H. LAKE for the benefit, and on behalf of Corporation X;
- b. falsifying and causing the falsification of the financial books and records of Bozell, Inc.; and
- c. causing Bozell, Inc. to advance funds for the purpose of concealing an illegal corporate campaign contribution to help retire the campaign debt of Henry Espy;

all by means of false, fictitious and fraudulent pretenses, representations, and promises well knowing at the time that the pretenses, representations, and promises, when they were made to Bozell, Inc., would be and were false, fictitious and fraudulent.

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13. For the purpose of executing such scheme and artifice to defraud, and attempting to do so, it was a part of the scheme and artifice to defraud that:

a. On or about March 1, 1994, in a telephone conversation, a senior official at Corporation X contacted JAMES H. LAKE, the defendant, and solicited LAKE's assistance in a federal election campaign contribution scheme in which LAKE agreed, at the senior official's request, to raise approximately \$5,000 to help retire the campaign debt of Henry Espy.

b. JAMES H. LAKE, the defendant, and the senior official agreed they would use \$5,000 of Corporation X's corporate funds to contribute to the campaign fund of Henry Espy for Congress, in violation of FECA.

c. JAMES H. LAKE, the defendant, agreed to enlist the assistance of four other officers and employees of the Washington, D.C. office of RLSM to make personal contributions each in the amount of the maximum allowable FECA contribution for individuals of \$1,000.

d. JAMES H. LAKE, the defendant, agreed with the senior official that LAKE's contribution and that of the other RLSM officers and employees of the Washington, D.C. office would be reimbursed using Corporation X's corporate funds.

e. After on or about March 1, 1994, JAMES H. LAKE, the defendant, agreed with Corporation X's senior official that the reimbursement of the campaign contributors would be accomplished by having RLSM bill Corporation X for a fictitious expense to conceal the reimbursement by Corporation X to the five campaign contributors, including JAMES H. LAKE, of their \$1,000 contribution, in violation of FECA.

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f. JAMES H. LAKE, the defendant, and the senior official at Corporation X agreed that the fictitious expense that RLSM would bill Corporation X for would be the purported purchase of a table for Corporation X at an annual fund-raising dinner (the "Dinner") held by a Washington, D.C. based not-for-profit organization.

g. On or about March 10, 1994, JAMES H. LAKE, the defendant, by virtue of his position and authority at RLSM, created a fictitious expense for the Dinner and requested reimbursement from Bozell, Inc. in the amount of \$5,000, thereby creating false, fictitious and fraudulent entries on Bozell, Inc.'s books and records.

h. On or about March 14, 1994, JAMES H. LAKE, the defendant, caused Bozell, Inc. to issue a check in the amount of \$5,000 as reimbursement to LAKE for funds purportedly expended for the Dinner on behalf of RLSM's client, Corporation X.

i. From on or about March 3, 1994 until on or about March 18, 1994, JAMES H. LAKE, the defendant, solicited four other officers and employees of the Washington, D.C. office of RLSM to each contribute \$1,000 to the Henry Espy for Congress Committee. LAKE promised each of these officers and employees that their campaign contribution would be reimbursed. Three of these individuals did as LAKE requested; the fourth individual refused.

j. From on or about March 3, 1994 until on or about March 24, 1994, JAMES H. LAKE, the defendant, contributed \$1,000 to the Henry Espy for Congress campaign fund and reimbursed three officers and employees of the Washington, D.C. office of RLSM each in the amount of \$1,000 in exchange for their campaign contributions to the Henry Espy campaign.

k. In or about March 1994, JAMES H. LAKE, the defendant, provided to the senior official of Corporation X four checks -- one from JAMES H. LAKE, the defendant, and three others from officers and employees of the Washington, D.C. office of

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RLSM -- each in the amount of \$1,000 payable to the Henry Espy for Congress Committee.

l. JAMES H. LAKE, the defendant, reimbursed his own contribution in the amount \$1,000 and retained approximately \$1,000 of the \$5,000 amount reimbursed to him from Bozell, Inc. as a consequence of the submission of a false, fictitious and fraudulent billable expense report.

m. On or about April 26, 1994, JAMES H. LAKE, the defendant, by virtue of his position and authority at RLSM, caused RLSM to bill Corporation X, in part and among other things, for the false, fictitious and fraudulent \$5,000 expense for the Dinner.

n. On or about April 27, 1994, a senior official at Corporation X, in his capacity as an officer of Corporation X, approved for payment RLSM's invoice containing the \$5,000 expense for the Dinner and thereby caused Corporation X, on or about June 2, 1994, to send its check, payable to RLSM, which, in part, represented Corporation X's payment of the false, fictitious and fraudulent \$5,000 expense for the Dinner.

The Wire Communication

14. On or about March 11, 1994, in the District of Columbia and elsewhere, for the purpose of executing the scheme and artifice to defraud set forth in Paragraphs 1 through 13 above, and attempting to do so, JAMES H. LAKE, the defendant, unlawfully, willfully and knowingly transmitted and caused to be transmitted by means of a wire communication, to wit, a telephonic communication by computer modem between RLSM, in Washington, D.C. and Bozell, Inc., in Omaha, Nebraska, in interstate commerce, writings, signs, signals, and sounds, to wit, a billable expense report requesting reimbursement for a \$5,000 expense for the purchase of a table at the Dinner.

(Title 18, United States Code, Sections 1343, 1346 and 2).

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COUNT TWO

The Independent Counsel further charges:

15. Paragraphs 1 through 13 of Count One of this Information are realleged and incorporated by reference as though fully set forth herein.

16. From in or about March 1994 up to and including in or about April 1994, in the District of Columbia and elsewhere, JAMES H. LAKE, the defendant, and others known and unknown, unlawfully, willfully and knowingly made a contribution and expenditure aggregating \$2,000 and more in calendar year 1994 in violation of the prohibition against corporate contributions contained in the Federal Election Campaign Act; to wit, a contribution and expenditure totaling \$4,000 of corporate assets belonging to Corporation X, a California corporation, to the Henry Espy for Congress Committee, a federal political committee, in connection with a primary election held to select a candidate for Representative in Congress.

(Title 2, United States Code, Sections 441b(a) and 437g(d)(1)(A); Title 18, United States Code, Section 2).

COUNT THREE

The Independent Counsel further charges:

17. Paragraphs 1 through 13 of Count One of this Information are realleged and incorporated by reference as though fully set forth herein.

18. From in or about March 1994 up to and including in or about April 1994, in the District of Columbia and elsewhere, JAMES H. LAKE, the defendant, and others known and unknown, unlawfully, willfully and knowingly made a contribution in the name of another in violation of the Federal Election Campaign Act; to wit, a contribution in the amount of \$1,000 of corporate assets belonging to Corporation X, a California corporation, in the name of JAMES H.

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LAKE, the defendant, to the Henry Espy for Congress Committee, a federal political committee,
in connection with a primary election held to select a candidate for Representative in Congress.

(Title 2, United States Code, Sections 441f and 437g(d)(1)(A); Title 18, United States
Code, Section 2).

Dated: Washington, D.C.
October 23, 1995

/s/ Donald C. Smaltz
DONALD C. SMALTZ
Independent Counsel

Theodore S. Greenberg, Esq.
Special Counsel
Robert W. Ray, Esq.
Associate Independent Counsel
103 Oronoco Street, Suite 200
Alexandria, VA 22314
Tel.: (703) 706-0010

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OFFICE OF INDEPENDENT COUNSEL

DONALD C. SMALTZ

In re Secretary of Agriculture Espy

P.O. Box 26356
103 Oronoco Street, Suite 200
Alexandria, VA 22313
(703) 706-0010
(FAX) 706-0076

October 23, 1995

Plato Cacheris, Esq.
Cacheris & Treanor
1100 Connecticut Avenue, N.W.
Suite 730
Washington, D.C. 20036

FILED

OCT 25 1995

Clerk, U.S. District Court
District of Columbia

Re: UNITED STATES v. JAMES H. LAKE

Dear Mr. Cacheris:

On the understandings specified below (the "Agreement"), the Office of the Independent Counsel (the "Independent Counsel") will accept a waiver of indictment and guilty plea from James H. Lake to a criminal Information (the "Information") charging him in three counts with (i) wire fraud, in violation of Title 18, United States Code, Sections 1343, 1346 and 2 (Count One), (ii) aiding and abetting the making of a corporate campaign contribution, in violation of Title 2, United States Code, Sections 441b(a) and 437g(d)(1)(A), and Title 18, United States Code, Section 2 (Count Two), and (iii) aiding and abetting the making of a campaign contribution in the name of another person, in violation of Title 2, United States Code, Sections 441f and 437g(d)(1)(A), and Title 18, United States Code, Section 2 (Count Three). The charge contained in Count One, a felony, carries a maximum sentence of five years' imprisonment, a maximum term of three years' supervised release, a maximum fine, pursuant to Title 18, United States Code, Section 3571(b), of \$250,000, restitution, and a mandatory \$50 special assessment. The charges contained in Counts Two and Three, Class A misdemeanor offenses, each carry a maximum sentence of one year imprisonment, a maximum term of one year of supervised release, a maximum fine, pursuant to Title 18, United States Code, Section 3571(b), of \$100,000, restitution, and a mandatory \$25 special assessment.

It is understood that James H. Lake, by agreeing to plead guilty as set forth above, waives immunity from prosecution, which was ordered (Misc. No. 95-308), on September 21, 1995, by Chief Judge John Garrett Penn, United States District Court for the District of Columbia, pursuant to Title 18, United States Code, Sections 6002-6003 and conferred in the Grand Jury (95-1) on September 28, 1995. It is further understood that James H. Lake waives the terms of the limited no prosecution agreement, dated May 19, 1995, between the Independent Counsel and James H. Lake, and as extended to the meetings between the Independent Counsel and James H. Lake conducted on June 2, 12, and September 26, 1995.

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It is understood that James H. Lake agrees to make available to the Independent Counsel for use as evidence at any subsequent court proceeding the \$1,000 that he retained as proceeds of the offenses charged in the Information, and further to pay that amount, or such other amount as the sentencing Judge may determine, as restitution at sentencing. It is further understood that within 60 days from the date of this Agreement, James H. Lake agrees to deposit into an account designated by the United States Marshal for the District of Columbia, or such other account designated by the Independent Counsel, the amount of \$150,000 to be held in escrow until sentencing in order to satisfy any fine that the sentencing Judge may impose.

It is understood that James H. Lake (a) shall truthfully and completely disclose all information with respect to the activities of himself and others concerning all matters about which the Independent Counsel inquires of him; (b) shall cooperate fully with the Independent Counsel, the Department of Justice, the Federal Bureau of Investigation, the United States Department of Agriculture, the Federal Election Commission (FEC), and any other law enforcement agency designated by the Independent Counsel; (c) shall attend all meetings at which the Independent Counsel requests his presence; (d) shall provide to the Independent Counsel and the agencies referenced above, upon request, any document, record, or other tangible evidence within his care, custody or control relating to matters about which the Independent Counsel or any law enforcement agency designated by the Independent Counsel inquires of him; (e) shall truthfully testify before the grand jury and at any trial and other court or administrative proceeding with respect to any matters about which the Independent Counsel may request his testimony; and (f) shall commit no further crimes whatsoever. Moreover, any assistance James H. Lake may provide hereunder shall be pursuant to the specific instructions and direction of the Independent Counsel.

If James H. Lake fully complies with the understandings specified in this Agreement, he will not be further prosecuted by the Independent Counsel for any crimes related to his participation, in or about March through June 1994, with Richard Douglas, Sun-Diamond Growers of California, and others, in a conspiracy to commit and the commission of the crimes of mail fraud, wire fraud, interstate transportation of money and property obtained by fraud, and violations of the Federal Election Campaign Act, to the extent James H. Lake has disclosed such participation to the Independent Counsel as of the date of this Agreement. This Agreement does not provide any protection against prosecution for any crimes except as set forth above.

It is further understood that because of James H. Lake's willingness to enter a plea of guilty to the Information and acknowledgment of responsibility for the crimes set forth therein, and if James H. Lake fully complies with the understandings specified in this Agreement, Bozell Worldwide, Inc., Robinson, Lake, Lerer & Montgomery, Inc., d/b/a "Robinson Lake Sawyer Miller" (the "companies") will not be prosecuted by the Independent Counsel for any of the crimes, based upon the conduct of James H. Lake, set forth in the preceding paragraph. The Independent Counsel is proceeding on the basis that the information now known to this office -- including, but not limited to the representations of Mr. Lake and

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others -- indicates that the companies were unaware of James Lake's and Richard Douglas' agreement that Sun Diamond would fund and disguise the illegal \$5,000 corporate contribution. It is further understood, however, that the Independent Counsel's agreement not to prosecute the companies is based upon facts now known to the Independent Counsel and available for use as of the date of this Agreement. Should any additional material facts become known to the Independent Counsel concerning the companies, or, alternatively, should James H. Lake fail to fully comply with the understandings specified in this Agreement, the Independent Counsel reserves the right to prosecute the companies for any federal criminal violations of which the Independent Counsel has knowledge.

It is further understood that nothing in this Agreement waives or limits in any way the authority of the FEC to seek civil penalties or other administrative remedies for violations of the Federal Election Campaign Act pursuant to Title 2, United States Code, Section 437g(a).

It is further understood that James H. Lake admits that his conduct knowingly and willfully violated Title 2, United States Code, Sections 441b(a) and 441f of the Federal Election Campaign Act, and that the FEC has the authority to seek civil penalties against him for those violations pursuant to Title 2, United States Code, Section 437g(a)(5). James H. Lake agrees to submit to the FEC's jurisdiction, to cooperate with the FEC in its compliance proceedings against him, including waiving all evidentiary privileges and FEC notification procedures to which he may be entitled, and to enter into a conciliation agreement and pay whatever civil penalty the FEC deems appropriate pursuant to Title 2, United States Code, Section 437g(a)(5).

It is understood that this Agreement does not bind any federal, state, or local prosecuting authority other than the Independent Counsel. The Independent Counsel will, however, bring the cooperation of James H. Lake to the attention of other prosecuting offices, if requested by James H. Lake.

It is understood that the sentence to be imposed upon James H. Lake is within the sole discretion of the sentencing Judge. The Independent Counsel cannot, and does not, make any promise or representation as to what sentence James H. Lake will receive. The Independent Counsel reserves the right to make a sentence recommendation to the sentencing Judge, including whether or not a sentence of imprisonment is appropriate and, if so, the length of any such term of imprisonment. The Independent Counsel and James H. Lake agree, pursuant to Rule 11(e)(1)(C) of the Federal Rules of Criminal Procedure, that James H. Lake pay a fine in the amount of \$150,000, notwithstanding the filing of any Section 5K1.1 motion on behalf of James H. Lake, as set forth below. The Independent Counsel will inform the Probation Department and the sentencing Judge of (a) this Agreement; (b) the nature and extent of James H. Lake's activities with respect to this case and all other activities of James H. Lake which the Independent Counsel deems relevant to sentencing; and (c) the nature and extent of James H. Lake's cooperation with the Independent Counsel. In so doing, the Independent Counsel may use any information it deems relevant, including information provided by James H. Lake both prior

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to and subsequent to the signing of this Agreement. In addition, if the Independent Counsel determines, in his sole and unfettered discretion, that James H. Lake has provided substantial assistance in an investigation and prosecution, and if James H. Lake has fully complied with the understandings specified in this Agreement, the Independent Counsel will file a motion, pursuant to Section 5K1.1 of the Sentencing Guidelines, requesting the sentencing Judge to sentence James H. Lake in light of the factors set forth in Section 5K1.1(a)(1)-(5).

It is understood that, even if such a sentencing motion referred to above is filed, the sentence to be imposed on James H. Lake remains within the sole discretion of the sentencing Judge. Moreover, nothing in this Agreement limits the Independent Counsel's right to present any facts and make any arguments relevant to the sentencing to the Probation Department and the sentencing Judge, or to take any position on post-sentencing motions.

It is understood that, should the Independent Counsel determine that James H. Lake has not provided substantial assistance in an investigation and prosecution as set forth above, or has violated any provision of this Agreement, such a determination will release the Independent Counsel from any obligation to file a motion pursuant to Section 5K1.1 of the Sentencing Guidelines, but will not entitle James H. Lake to withdraw his guilty plea to the Information once it has been entered.

It is understood that, should James H. Lake commit any further crimes or should it be determined that he has given false testimony or information, or should he otherwise violate any provision of this Agreement, James H. Lake shall thereafter be subject to prosecution for any federal criminal violation of which the Independent Counsel has knowledge, including perjury and obstruction of justice. Any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against James H. Lake, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of such prosecution. It is the intent of this Agreement to waive all defenses based on the statute of limitations with respect to any prosecution within the jurisdiction of this Independent Counsel that is not time-barred on the date that this Agreement is signed.

It is understood that in the event that it is determined that James H. Lake has committed any further crimes, given false testimony or information, or otherwise violated any provision of this Agreement, (a) all statements made by James H. Lake to the Independent Counsel or other law enforcement agents, and any testimony given by James H. Lake before a grand jury or other tribunal, whether prior to or subsequent to the signing of this Agreement, and any leads from such statements or testimony shall be admissible in evidence in any criminal proceeding brought against James H. Lake; and (b) James H. Lake shall assert no claim under the United States Constitution, any statute, Rule 11(e)(6) of the Federal Rules of Criminal

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Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or any leads therefrom should be suppressed. It is the intent of this Agreement to waive all rights in the foregoing respects.

This Agreement supersedes any and all prior understandings, promises, or conditions, whether oral or written, between the Independent Counsel and James H. Lake. No additional understandings, promises, or conditions have been entered into other than those set forth in this Agreement, and none will be entered into unless in writing and signed by all parties.

Very truly yours,

Donald C. Smaltz
DONALD C. SMALTZ
Independent Counsel
Theodore S. Greenberg, Esq.
Special Counsel
Robert W. Ray, Esq.
Associate Independent Counsel

AGREED AND CONSENTED TO:

James H. Lake
JAMES H. LAKE

Oct 23, 1995
DATE

APPROVED:

Plato Cacheris
PLATO CACHERIS, ESQ.
Attorney for James H. Lake

23 OCT 1995
DATE

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA)

-v-)

JAMES H. LAKE,)

Defendant)

Criminal No. 95-0267 (RMU)

FILED

OCT 25 1995

Clerk, U.S. District Court
District of Columbia

STATEMENT OF FACTS

Through the testimony of witnesses, and documents, the Government would prove all of the allegations set forth in the Criminal Information at a trial of this matter as follows:

The defendant, JAMES H. LAKE, was at all relevant times, and had been for a number of years, Chairman of the Board and a partner in the firm of ROBINSON, LAKE, LERER & MONTGOMERY, INC. That firm currently does business under the name of ROBINSON LAKE SAWYER MILLER. It is a New York corporation having offices in the District of Columbia and other major cities throughout the United States.

ROBINSON LAKE SAWYER MILLER ("ROBINSON LAKE") is a wholly-owned subsidiary of BOZELL WORLDWIDE, INC., which is, in turn, a

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wholly-owned subsidiary of BOZELL, JACOBS, KENYON & ECKHARDT, INC., a Delaware corporation with its principal place of business in New York City.

ROBINSON LAKE's primary business is lobbying and public relations. It has, through the years, held itself out as being expert in dealings with the United States Department of Agriculture, and with having connections and influence with the USDA.

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One of ROBINSON LAKE's clients in 1993 and 1994, and for many years previous, was the California agricultural cooperative corporation, SUN-DIAMOND GROWERS OF CALIFORNIA, which is headquartered in Pleasanton, California. SUN DIAMOND is the "Corporation X" referred to in the Information. The principal business of SUN-DIAMOND GROWERS OF CALIFORNIA is the processing and marketing of agricultural products of its cooperative member firms -- primarily raisins, walnuts, pecans, almonds, hazelnuts, apricots, and prunes.

During the relevant times, SUN-DIAMOND paid ROBINSON LAKE for its professional services a retainer of \$20,000 per month, plus expenses incurred for out-of-pocket disbursements.

SUN-DIAMOND and its member cooperatives have varied and

extensive dealings with the United States Department of Agriculture, and are participants, beneficiaries, and recipients of various programs administered and funded by the United States Department of Agriculture.

SUN-DIAMOND'S Senior Vice President in Charge of its Corporate Affairs is RICHARD DOUGLAS. He is identified in the Information as the "senior official." RICHARD DOUGLAS' duties included, at all relevant times, directing SUN-DIAMOND's many political and lobbying activities, handling SUN-DIAMOND's campaign contributions, and administering the firm's political action committees.

JAMES LAKE is and was listed on SUN-DIAMOND's organizational chart as having responsibility for SUN-DIAMOND's Washington, D.C. office. Exhibit 1 is an internal SUN-DIAMOND organizational chart depicting the relationship. RICHARD DOUGLAS maintains an office at ROBINSON LAKE's offices in Washington, D.C.

In March 1993, HENRY ESPY had run unsuccessfully in a special primary election for the Democratic nomination for the seat vacated by his brother, MICHAEL ESPY, when he was appointed as SECRETARY of the UNITED STATES DEPARTMENT OF AGRICULTURE in January, 1993. HENRY ESPY'S campaign expenses far exceeded his available campaign funds

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and after his defeat in March, 1993 it became increasingly difficult for him to raise funds to extinguish that indebtedness. RICHARD DOUGLAS, with others, had been tasked to raise money to retire that campaign debt. As at March, 1994, that campaign debt exceeded \$75,000.

In early March 1994 DOUGLAS, in a conversation with JAMES LAKE, told LAKE that MIKE ESPY wanted help from DOUGLAS in raising money to retire HENRY ESPY'S campaign debt. DOUGLAS and LAKE agreed that LAKE, and four other individuals whom LAKE would solicit from ROBINSON LAKE, would each write a check for \$1,000.00 to the HENRY ESPY CAMPAIGN; and, that SUN-DIAMOND, through LAKE, would reimburse each of the contributors for the \$1,000.00 checks. It was part of the agreement that money would be funneled from SUN-DIAMOND through ROBINSON LAKE to JAMES LAKE by means of a false and fraudulent expense item for a purported \$5,000.00 entertainment contribution to the "Joint Center Dinner" on a ROBINSON LAKE expense voucher to SUN-DIAMOND. The voucher with the false \$5,000.00 expense item would be approved by DOUGLAS for payment by SUN-DIAMOND.

The Joint Center was a term used by RICHARD DOUGLAS to refer to a dinner held by the Joint Center for Political & Economic Studies. There was a

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dinner; however, the LAKE \$5,000 expense was completely false and fictitious.

Pursuant to that scheme, JAMES LAKE then wrote a check for \$1,000.00 to "HENRY ESPY FOR CONGRESS CAMPAIGN"; and requested, and obtained from three ROBINSON LAKE officers a \$1,000.00 personal check. JAMES LAKE obtained checks from the then-President of ROBINSON LAKE; a Vice President of ROBINSON LAKE; and a Senior Vice President of ROBINSON LAKE. When JAMES LAKE was unable to secure a fifth person to participate in the scheme, he transferred these four checks for \$1,000.00, made payable to the Henry Espy Campaign for Congress, to RICHARD DOUGLAS. These four checks, on April 1, 1994, were endorsed by RICHARD DOUGLAS and deposited in a bank account in Washington, D.C. entitled "Henry Espy for Congress." At the time JAMES LAKE agreed to participate in the scheme to disguise the SUN-DIAMOND contribution through the individual conduit donors, LAKE knew that it was illegal for SUN-DIAMOND to contribute to a federal election campaign, and he also knew that it was illegal to make personal federal political contributions other than in his own name.

Between March 10 and March 24, 1994, JAMES LAKE, by his personal checks, reimbursed each of the three individuals for their \$1,000.00

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contribution to the HENRY ESPY FOR CONGRESS COMMITTEE.

On March 10, 1994, JAMES LAKE caused a false billable expense report to be prepared and submitted to BOZELL's accounting department, which stated that LAKE incurred a \$5,000.00 "entertainment expense" for the purchase of a ticket to the Joint Center dinner, which \$5,000.00 expense should be charged to SUN-DIAMOND. A copy of that Billable Expense Report is Exhibit 2.

Throughout the scheme and, in particular, on March 11, 1994, in the District of Columbia, JAMES LAKE used his position of authority, trust, and confidence at ROBINSON LAKE to unlawfully and knowingly cause an interstate telephonic transmission of the billable expense report requesting reimbursement to him of \$5,000 for the purchase of a table at the Joint Center dinner to be sent by computer modem from ROBINSON LAKE's office in Washington, D.C. to BOZELL, INC., located in Omaha, Nebraska. JAMES LAKE thus used the means and instrumentalities of the interstate wires to execute an unlawful scheme and artifice to defraud and to deprive ROBINSON LAKE and BOZELL of their respective rights to his honest services in violation of 18 U.S.C. §§ 1343 & 1346, and also to violate the federal campaign laws, 2 U.S.C. §§ 441b(a) and 441f, of the United States of America.

On March 14, 1994, BOZELL transmitted a check for \$5,000.00 to

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JAMES LAKE as reimbursement for that false and fictitious expense. Exhibit 3 is a copy of that check.

JAMES LAKE's false billable expense report caused ROBINSON LAKE to include that false item in its invoice for services to SUN-DIAMOND, dated April 26, 1994, that ROBINSON LAKE sent to SUN-DIAMOND GROWERS OF CALIFORNIA, addressed to:

Dr. Richard Douglas
Sun-Diamond Growers of California
5568 Gibraltar Drive
Pleasanton, California

Exhibit 4-A is a copy of the invoice, and Exhibit 4-B a copy of the false itemization of expenses that contains the false, fictitious and fraudulent \$5,000 item. The invoice, Exhibit 4-A, was approved for payment by DOUGLAS on April 27, 1994, by the handwriting appearing thereon, "OK RD 4-27-94."

SUN-DIAMOND sent a check dated June 2, 1994, on a SUN-DIAMOND corporate account, in full payment to ROBINSON LAKE for the April 1994 bill, which included reimbursement for the false and fictitious \$5,000.00 expense for the Joint Center dinner. Exhibit 5 is a copy of that check.

The checks LAKE obtained from the ROBINSON LAKE employees, his own check, and the billing and payment by SUN-DIAMOND for the \$5,000

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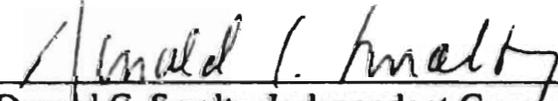
expense for the Joint Center dinner and other activities of LAKE noted herein transformed the campaign contributions made by JAMES LAKE and the other three individuals into a SUN-DIAMOND corporate contribution in violation of:

- (i) 2 U.S.C. § 441b(a), which proscribes the contribution or expenditure of corporate assets to a campaign of a candidate who had sought Federal office; and
- (ii) 2 U.S.C. § 441f, which prohibits the making of a contribution to a campaign of a candidate seeking Federal office through conduits and in the name of another person.

DATED: October 25, 1995

Respectfully submitted,

OFFICE OF INDEPENDENT COUNSEL
DONALD C. SMALTZ
103 Oronoco Street, Suite 200
P.O. Box 26356
Alexandria, VA 22313
(703) 706-0010
FAX: (703) 706-0050


Donald C. Smaltz, Independent Counsel
(Bar No. 37312)

96043742041

CERTIFICATE OF SERVICE

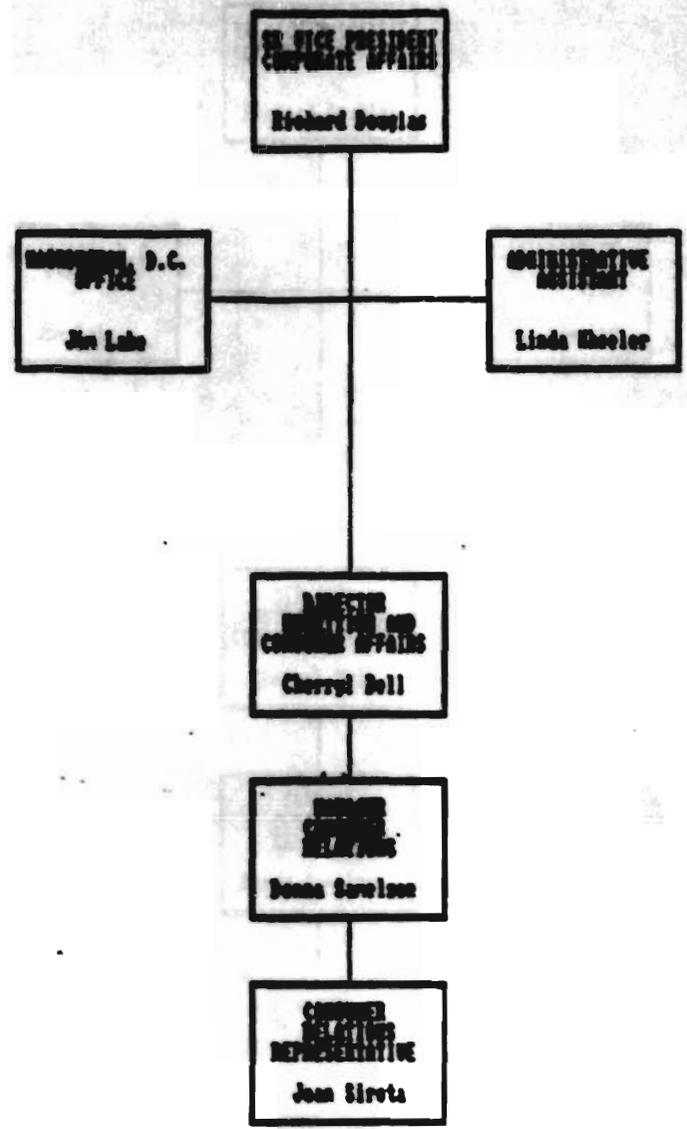
I HEREBY CERTIFY that a copy of the foregoing **STATEMENT OF FACTS** was delivered by facsimile transmission this 25th day of October, 1995, to Plato Cacheris, Esquire, **CACHERIS & TREANOR**, 1100 Connecticut Avenue, N.W., Suite 730, Washington, D.C. 20036, Counsel for Defendant, at (202) 775-8702.

12:00 noon

Donald C. Smaltz
Donald C. Smaltz
Independent Counsel

96043742042

CORPORATE AFFAIRS



96043742043

Sun-Diamond
COUNT: 5

Prepared SKO Date 1/11/94
 Approved [Signature] Date 1/11/94
 Approved js Date 2-10-94

3
James H Lake
Do not write, stamp or sign below this line
RESERVED FOR FINANCIAL INSTITUTION USE

JL 12744

1000-0001
FIRST NATIONAL BANK
1000-0001

0510-0003-3
B02950925 03-28-94

09766071

03/25/94
RICHMOND VA
FIRST NATIONAL BANK

BW10255351

Bozell Worldwide, Inc.

DD 585305

FIRST NATIONAL BANK
DAVID CITY BRANCH

JL 12743

78-1304
1049

BW10255350

DATE
3/14/94

AMOUNT

*****5,000.00

*****5,000.00

VOID IF NOT CASHED
WITHIN 90 DAYS

F.U.M.B. #001
MAR 25 1994
ATM TYSONS

Handwritten signature in a box

JAMES H LAKE

NEW YORK

00000

COUNTERSIGNED

VENDOR 019L150 0



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Robinson, Lake, Lerer & Montgomery
Sawyer Miller Group

Single Comptroller
1667 K Street Northwest, Suite 900
Washington, DC 20006-1667
(202) 457-6279

131213

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RECEIVED

APR 28 1994

April 28, 1994

Dr. Richard Douglas
Sun Diamond Growers of California
5588 Gibraltar Drive
Pleasanton, California 94588

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March 1994

Invoice #P0390778/P0390779

Washington Representation Services:	\$20,000.00
Expenses (Invoice #P0390779 attached):	<u>\$6,162.66</u>
Total Amount Due:	<u>\$26,162.66</u>

9707270000923

OK
24
4-27-94

VOUCHERED
MAY - 2 1994
INITIAL SA

RECEIVED
MAY 02 1994
A/P DEPT.

Please Remit Payment to:

Robinson, Lake, Lerer & Montgomery/
Sawyer Miller Group
P.O. Box 198261
Atlanta, GA 30384

KEY STAMP #1
MAY - 2 1994
ACCOUNTS PAYABLE

SUN0233611

SDM 004972

48

April 28, 1994

Dr. Richard Douglas
Sun Diamond Growers of California
5588 Gibraltar Drive
Pleasanton, California 94586

Expenses

Invoice #P0380779

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Business Meals:	\$271.90
Car Service: Richard Douglas on 2/4/94:	\$286.00
Courier:	\$42.50
Federal Express:	\$41.00
Information Services:	\$75.00
Joint Center Dinner:	\$5,000.00
Local Transportation:	\$115.49
Photocopying:	\$134.09
Telephone/Telecopy:	\$196.68
Total:	<u>\$6,162.66</u>

RECEIVED
MAY 02 1994
A/P DEPT.

SUN0233612

SDM 004973

5

NationsBank
P.O. Box 100978
Atlanta, Georgia 30384
Customer Service (404) 774-6144

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND AND A WHITE BACKGROUND

CHECK NO. 812575  **SUN-DIAMOND GROWERS** 475617
OF CALIFORNIA

DATE 06/02/94 AMOUNT 26,162.66
TWENTY SIX THOUSAND ONE HUNDRED SIXTY TWO AND 66/100 DOLLARS *****

TO ROBINSON LAKE LERER &
THE MONTGOMERY/SAJTER MILLER GROUP 3150
ORDER PO BOX 198261
OF ATLANTA GA 30386

W. P. Beaton

THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK. HOLD AT AN ANGLE TO VIEW

AUDIT# 2010049/0007
008-49-455 198261

06/07/94 BATCH # 0001
BOZELL, JACOBS, KENYON & ECKHARDT

ITEM: \$26,162.66
BATCH: \$609,560.82

INVOICE NO.	DATE	VOUCHER	GROSS AMOUNT	DISCOUNT	NET AMOUNT
P0390778 27,920.00	062694	251509	26,162.66		26,162.66
P0390779 142.15					

CHECK NO.	DATE	VENDOR NO.	VENDOR NAME	TOTAL AMOUNT
812575	060294	001382183	ROBINSON LAKE LERER & SUN-DIAMOND GROWERS OF CALIFORNIA P.O. BOX 9024 PLEASANTON CALIF 94566	26,162.66

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RLLO269937

JL 13439 1/19



OFFICE OF INDEPENDENT COUNSEL

DONALD C. SMALTZ
In re Secretary of Agriculture Espy

P.O. Box 26356
103 Oronoco Street, Suite 200
Alexandria, VA 22313
(703) 760-0010
(FAX) 706-0076

October 25, 1995

FILED

OCT 25 1995

Clerk, U.S. District Court
District of Columbia

SENT VIA FACSIMILE

Arthur L. Liman, Esquire
Leslie Gordon Fagen, Esquire
Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019-6064

William J. Marlow, Esquire
Loeb & Loeb
345 Park Avenue
New York, New York 10154-0037

Dear Counsel:

This letter addresses matters relating to Bozell Jacobs, Kenyon & Eckhardt, Inc.; Bozell Worldwide, Inc.; and, Robinson, Lake, Lerer & Montgomery, Inc., sometimes doing business as Robinson Lake Sawyer Miller ("Robinson Lake") (collectively the "companies").

We have advised you that James H. Lake has agreed to plead guilty to the three count criminal information attached herewith. The companies were the victims of Lake's activities as follows:

From in or about March 1994 until in or about June 1994, in the District of Columbia and elsewhere, JAMES H. LAKE, the defendant, and others known and unknown, devised and intended to devise a scheme and artifice to defraud, and to deprive another, namely, Bozell, Inc. and RLSM, of the intangible right of honest services, and for obtaining money and property from Bozell, Inc. by, among other things:

- a. creating and causing the creation of a false expense report seeking reimbursement from Bozell, Inc. of money purportedly expended by defendant JAMES H. LAKE for the benefit, and on behalf of corporation X;
- b. falsifying and causing the falsification of the financial books and

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Arthur L. Liman, Esquire
Leslie Gordon Fagen, Esquire
William J. Marlow, Esquire
October 25, 1995
Page 2

records of Bozell, Inc., and

- c. causing Bozell, Inc. to advance funds for the purpose of concealing an illegal corporate campaign contribution to help retire the campaign debt of Henry Espy;

all by means of false, fictitious and fraudulent pretenses, representations, and promises well knowing at the time that the pretenses, representations, and promises, when they were made to Bozell, Inc., would be and were false, fictitious and fraudulent (Information Par. 12).

We have agreed that Robinson Lake shall submit itself to the jurisdiction of the Federal Election Commission, and the companies shall, and where appropriate, enhance their system of internal controls. In this regard we have agreed as follows:

1. Federal Election Commission (FEC): Robinson Lake agrees to submit to the FEC's jurisdiction with respect to the actions of James H. Lake as described in the attached criminal information and related facts. The companies understand that James H. Lake has admitted that his conduct knowingly and willfully violated the Federal Election Campaign Act (FECA) and will plead guilty to the criminal information. In this regard, Robinson Lake Sawyer Miller agrees that it is vicariously liable as employers for Lake's actions and that the FEC has the authority to seek civil penalties against it for violations of the FECA. The companies agree to cooperate with the FEC in its compliance proceedings, including waiving all evidentiary privileges and notification procedures to which they may be entitled, subject to the letter of Leslie G. Fagen of October 24, 1995 and Robinson Lake agrees to enter into a conciliation agreement and pay whatever civil penalties, if any, the FEC deems appropriate. Nothing herein limits the right of the FEC to proceed against parties other than Robinson Lake, as it deems appropriate.

2. Training: In light of Lake's actions, the companies agree to formulate and implement a special training program (including producing a training manual, a video and holding classes) to further educate their employees and executives about the prohibitions of the Federal Election Campaign Act, federal statutes prohibiting illegal payments and instruct them on how to identify, detect and report errors, irregularities and possible illegal acts (as defined in Generally Accepted Auditing Standards at AU Section 316, The Auditor's Responsibility to Detect and Report Errors and Irregularities; AU Section 317, Illegal Acts By Client).

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Page 3

3. **Internal Reporting Structure & Controls:** Within 45 days from the date of this undertaking, the companies shall:

- A. Obtain documentation on and review the current internal reporting structure and controls¹ including the relevant policies, procedures and records and determine whether they have been placed in operation:
- B. Effect and implement corrective action and changes in the internal reporting structure and controls to assure:
- (1) the control environment, accounting system, and control procedures are appropriate, in place, operating effectively and can be relied on to report transactions in accordance with generally accepted accounting principles (or such other comprehensive basis of accounting other than generally accepted accounting principles) and management's general and specific authorizations; and,
 - (2) that errors, irregularities and possible illegal acts² by officers, directors, employees, or agents are detected and appropriately reported in a timely manner.
- C. At the companies expense, engage a qualified professional acceptable to the Office of Independent Counsel to review, evaluate and comment on the relevant internal reporting structure and controls³, the relevant policies and

¹ Considerations of the structure and elements of internal control are addressed in Generally Accepted Auditing Standards, AU Section 319, Consideration of the Internal Control Structure in a Financial Statement Audit.

² Generally Accepted Auditing Standards defines and addresses errors, irregularities and illegal acts in the following standards: AU Section 316, The Auditor's Responsibility to Detect and Report Errors and Irregularities; AU Section 317, Illegal Acts By Clients.

³ For purposes of this undertaking, the 'relevant internal reporting structure and controls' are those related to the disbursements cycle (also called the cash disbursements system). The entities include the 'companies' and such other subsidiaries and/or affiliates as may be necessary.

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Arthur L. Liman, Esquire
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procedures, and determine whether they have been placed in operation.

- (1) One hundred and eighty (180) days from the date of his engagement, the qualified professional shall:
 - a. review, substantively test and report on the adequacy of the relevant internal reporting structure and controls.⁴
- (2) The report shall set forth (i) the nature and scope of the work, (ii) the findings, and (iii) make recommendations with respect to:
 - a. the specific structure, elements, controls, accounts and transactions;
 - b. departures from the control structure and elements; and,
 - c. changes, modifications or improvements to the control structure.
- (3) Provide the Board of Directors and the Independent Counsel with a copy of such report.

4. **Recommendations:** The Board of Directors shall act on any recommendations of the qualified professional within thirty (30) days of the date of receipt of the report.

to understand and report on the 'relevant internal reporting structure and controls'.

⁴ Communication of Internal Control Structure Related Matters Noted in an Audit. AU Section 325, defines, addresses and provides guidance on 'reportable conditions' which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The categories of 'reportable conditions' are covered in AU Section 325. The 'qualified professional' shall apply all the procedures considered necessary in the circumstances to render a report. Such procedures may include compliance and substantive tests. Engagement restrictions, if any, will be appropriately reported on.

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Arthur L. Liman, Esquire
Leslie Gordon Fagen, Esquire
William J. Marlow, Esquire
October 25, 1995
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- A. If the recommendations are accepted, the Board shall notify the qualified professional and the Independent Counsel in writing of such acceptance and the proposed implementation schedule within ten (10) days of the Board action. A timetable for implementation shall be provided by the Board of Directors to Independent Counsel.
- B. In the event recommendations are disapproved, not implemented or substantially modified without the agreement of the qualified professional, the Board shall prepare a written report addressing the reasons why the recommendations were not accepted and forward such report to the qualified professional and the Independent Counsel within ten (10) days of the Board action.

5. Review: Should the Board of Directors decline to implement any recommendation, the Independent Counsel shall review the circumstances and be free to take whatever actions he deems appropriate.

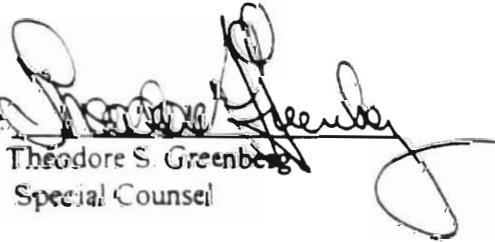
6. Confidentiality: The parties agree to hold in confidence between them the reports, materials and other work product generated by the review process set forth above. The qualified professional shall not publicly disclose any of the confidences that he becomes aware of during the course of his duties. In all events, the qualified professional shall disclose to the Independent Counsel any and all information necessary to carry out the task set forth in this agreement and about any matter which the Independent Counsel inquires.

7. Costs: The companies agree to pay all costs associated with undertaking their actions in a prompt, complete and comprehensive manner.

Sincerely,

DONALD C. SMALTZ
Independent Counsel

By:


Theodore S. Greenberg
Special Counsel

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Arthur L. Lirman, Esquire
Leslie Gordon Pagan, Esquire
William J. Marlow, Esquire
October 25, 1995
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REVIEWED AND AGREED:

Charles D. Peckler, Jr.
Chief Executive Officer
Bozell, Jacobs, Kenyon & Richards, Inc.
Bozell Worldwide, Inc.

Linda Gordon Robinson
Linda Gordon Robinson
President and Chief Executive Officer
Robinson, Latta, Latta & Montgomery, Inc.
Sometimes doing business as
Robinson Latta Sawyer Miller

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Arthur L. Limas, Esquire
Lanlis Gordon Fagan, Esquire
William J. Marlow, Esquire
October 23, 1993
Page 6

REVIEWED AND AGREED:



Charles D. Peckham, Esquire
Chief Executive Officer
Bezell, Jacobs, Kenyon & Eckhardt, Inc.
Bezell Worldwide, Inc.

Linda Gordon Robinson
President and Chief Executive Officer
Robinson, Lake, Leber & Montgomery, Inc.
Sometimes doing business as
Robinson Lake Sawyer Miller

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OFFICE OF INDEPENDENT COUNSEL

DONALD C. SMALTZ
In re Secretary of Agriculture Espy

P.O. Box 26356
103 Oronoco Street, Suite 200
Alexandria, VA 22313
(703) 760-0010
(FAX) 706-0076

October 27, 1995

Pre-MUR 321

HAND DELIVERED

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

Dear Mr. Noble:

Re: United States v. James H. Lake

During the past several months, this office has investigated inter alia, an illegal campaign contribution made by Sun Diamond Growers of California, Inc. through James H. Lake to the Mississippi congressional campaign of Henry Espy. On October 25, 1995, James H. Lake pled guilty to a three count criminal information charging violations of the wire fraud statute and the Federal Election Campaign Act (FECA).

Mr. Lake entered into a plea agreement which required, in part, that Mr. Lake pay a stipulated fine of \$150,000, that he cooperate with this office in its continuing investigation of former Secretary of Agriculture Michael Espy, and that he cooperate with the Federal Election Commission in connection with the assessment and payment of civil remedies pursuant to FECA. Mr. Lake also acknowledged in his plea agreement that his violations of FECA were committed "knowingly and wilfully."

The purpose of this letter is to refer this matter to the Commission for whatever administrative enforcement it considers appropriate. We are referring this matter directly to you at the suggestion of Craig C. Donsanto, Department of Justice, Criminal Division. Copies of the information, plea agreement and statement of facts are attached.

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

OCT 27 3 21 PM '95

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Consistent with Rule 6(e) of the Federal Rules of Criminal Procedure and investigative considerations in our ongoing case, we are prepared to share with your staff investigative materials pertaining to the FECA violations to which Mr. Lake pled guilty.

Please call me regarding how we can be of assistance.

Sincerely,

DONALD C. SMALTZ
Independent Counsel

By:


~~Theodore S. Green~~
Special Counsel

cc: Craig Donsanto

96043742058

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

_____)
) Criminal No. 95- 200-1
)
UNITED STATES OF AMERICA)
) Violations:
)
-v-) 18 U.S.C. §§ 1343, 1346
) (Wire Fraud)
)
JAMES H. LAKE,)
) 2 U.S.C. § 441b (a)
) (Illegal Corporate Campaign
Defendant.) Contribution)
)
)
) 2 U.S.C. § 441f
) (Illegal Conduit Campaign
) Contribution)
)
)
) 18 U.S.C. § 2
) (Aiding and Abetting)
_____)

INFORMATION

The Independent Counsel charges:

COUNT ONE

Introduction

At all times relevant to this Information:

1. JAMES H. LAKE, the defendant, was a founding "partner" of Robinson Lake. Lerer & Montgomery, Inc., d/b/a "Robinson Lake Sawyer Miller" (hereinafter, "Robinson Lake" or "RLSM").

2. Robinson Lake's principal place of business was in New York, New York.

3. Robinson Lake did business as "Robinson Lake Sawyer Miller" (RLSM).

In addition to its New York operation, RLSM conducted business through its Washington, D.C. office. This Information concerns the activities of the Washington, D.C. office of RLSM.

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4. JAMES H. LAKE, the defendant, was in charge of the Washington, D.C. office and held the position of chairman of the board of directors of Robinson, Lake, Lerer & Montgomery, Inc.

5. Until on or about June 1, 1994, RLSM maintained its Washington, D.C. office at 1667 K Street, N.W. On or after June 1, 1994, RLSM's Washington, D.C. office was located at 1501 M Street, N.W.

6. RLSM was owned and controlled by and was a wholly-owned subsidiary of Bozell Worldwide, Inc. (hereinafter, "Bozell" or "Bozell, Inc."), which in turn is owned and controlled by Bozell, Jacobs, Kenyon & Eckhardt, Inc., a Delaware corporation, with its principal place of business in New York, New York.

7. Among the principal businesses of RLSM was lobbying, public relations, communications management, including business related to and before the United States Department of Agriculture.

8. A large California agricultural cooperative corporation ("Corporation X") was one of the most important and long standing agricultural clients of RLSM. Corporation X had various matters then pending before the United States Department of Agriculture.

9. Corporation X's principal place of business was in California, where it grew, produced, processed and marketed the agricultural products of its cooperative members.

a. Since in or about September 1983, a senior official at Corporation X was responsible for Corporation X's Washington, D.C. based political and lobbying activities. This corporate official, among other things, supervised Corporation X's relationship with RLSM and the activities of defendant JAMES H. LAKE, who reported to this official. This corporate official also directed Corporation X's political and other contributions.

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b. JAMES H. LAKE, the defendant, was listed on Corporation X's organizational chart for Corporate Affairs as being responsible for Corporation X's Washington, D.C. office.

c. A senior official at Corporation X maintained an office at RLSM in Washington, D.C.

d. RLSM handled, in part, Corporation X's public relations and lobbying activities, including representing Corporation X's interests before the United States Department of Agriculture. RLSM was on a monthly retainer arrangement plus expenses with its client, Corporation X.

10. On or about March 30, 1993, Henry Espy lost a special primary election for the Democratic nomination for United States Congress in Mississippi. The special election was held to fill the Mississippi second congressional district seat vacated by Michael Espy, who resigned to become the United States Secretary of Agriculture.

11. As the result of Henry Espy's unsuccessful campaign for Congress, certain campaign debts were incurred. By in or about March 1994, the campaign debt was in excess of \$75,000.

a. The Henry Espy for Congress Committee was registered as a principal campaign committee with the Federal Election Commission and was designated and authorized by Henry Espy, pursuant to the Federal Election Campaign Act (FECA), to receive contributions and make expenditures in connection with the candidacy of Henry Espy for United States Congress.

b. FECA, namely, Title 2, United States Code, Section 441b, prohibited, in part and among other things, the contribution or expenditure of corporate assets, whether directly or indirectly, to a campaign of a candidate seeking Federal office.

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13. For the purpose of executing such scheme and artifice to defraud, and attempting to do so, it was a part of the scheme and artifice to defraud that:

a. On or about March 1, 1994, in a telephone conversation, a senior official at Corporation X contacted JAMES H. LAKE, the defendant, and solicited LAKE's assistance in a federal election campaign contribution scheme in which LAKE agreed, at the senior official's request, to raise approximately \$5,000 to help retire the campaign debt of Henry Espy.

b. JAMES H. LAKE, the defendant, and the senior official agreed they would use \$5,000 of Corporation X's corporate funds to contribute to the campaign fund of Henry Espy for Congress, in violation of FECA.

c. JAMES H. LAKE, the defendant, agreed to enlist the assistance of four other officers and employees of the Washington, D.C. office of RLSM to make personal contributions each in the amount of the maximum allowable FECA contribution for individuals of \$1,000.

d. JAMES H. LAKE, the defendant, agreed with the senior official that LAKE's contribution and that of the other RLSM officers and employees of the Washington, D.C. office would be reimbursed using Corporation X's corporate funds.

e. After on or about March 1, 1994, JAMES H. LAKE, the defendant, agreed with Corporation X's senior official that the reimbursement of the campaign contributors would be accomplished by having RLSM bill Corporation X for a fictitious expense to conceal the reimbursement by Corporation X to the five campaign contributors, including JAMES H. LAKE, of their \$1,000 contribution, in violation of FECA.

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f. JAMES H. LAKE, the defendant, and the senior official at Corporation X agreed that the fictitious expense that RLSM would bill Corporation X for would be the purported purchase of a table for Corporation X at an annual fund-raising dinner (the "Dinner") held by a Washington, D.C. based not-for-profit organization.

g. On or about March 10, 1994, JAMES H. LAKE, the defendant, by virtue of his position and authority at RLSM, created a fictitious expense for the Dinner and requested reimbursement from Bozell, Inc. in the amount of \$5,000, thereby creating false, fictitious and fraudulent entries on Bozell, Inc.'s books and records.

h. On or about March 14, 1994, JAMES H. LAKE, the defendant, caused Bozell, Inc. to issue a check in the amount of \$5,000 as reimbursement to LAKE for funds purportedly expended for the Dinner on behalf of RLSM's client, Corporation X.

i. From on or about March 3, 1994 until on or about March 18, 1994, JAMES H. LAKE, the defendant, solicited four other officers and employees of the Washington, D.C. office of RLSM to each contribute \$1,000 to the Henry Espy for Congress Committee. LAKE promised each of these officers and employees that their campaign contribution would be reimbursed. Three of these individuals did as LAKE requested; the fourth individual refused.

j. From on or about March 3, 1994 until on or about March 24, 1994, JAMES H. LAKE, the defendant, contributed \$1,000 to the Henry Espy for Congress campaign fund and reimbursed three officers and employees of the Washington, D.C. office of RLSM each in the amount of \$1,000 in exchange for their campaign contributions to the Henry Espy campaign.

k. In or about March 1994, JAMES H. LAKE, the defendant, provided to the senior official of Corporation X four checks -- one from JAMES H. LAKE, the defendant, and three others from officers and employees of the Washington, D.C. office of

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RLSM -- each in the amount of \$1,000 payable to the Henry Espy for Congress Committee.

l. JAMES H. LAKE, the defendant, reimbursed his own contribution in the amount \$1,000 and retained approximately \$1,000 of the \$5,000 amount reimbursed to him from Bozell, Inc. as a consequence of the submission of a false, fictitious and fraudulent billable expense report.

m. On or about April 26, 1994, JAMES H. LAKE, the defendant, by virtue of his position and authority at RLSM, caused RLSM to bill Corporation X, in part and among other things, for the false, fictitious and fraudulent \$5,000 expense for the Dinner.

n. On or about April 27, 1994, a senior official at Corporation X, in his capacity as an officer of Corporation X, approved for payment RLSM's invoice containing the \$5,000 expense for the Dinner and thereby caused Corporation X, on or about June 2, 1994, to send its check, payable to RLSM, which, in part, represented Corporation X's payment of the false, fictitious and fraudulent \$5,000 expense for the Dinner.

The Wire Communication

14. On or about March 11, 1994, in the District of Columbia and elsewhere, for the purpose of executing the scheme and artifice to defraud set forth in Paragraphs 1 through 13 above, and attempting to do so, JAMES H. LAKE, the defendant, unlawfully, willfully and knowingly transmitted and caused to be transmitted by means of a wire communication, to wit, a telephonic communication by computer modem between RLSM, in Washington, D.C. and Bozell, Inc., in Omaha, Nebraska, in interstate commerce, writings, signs, signals, and sounds, to wit, a billable expense report requesting reimbursement for a \$5,000 expense for the purchase of a table at the Dinner.

(Title 18, United States Code, Sections 1343, 1346 and 2).

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COUNT TWO

The Independent Counsel further charges:

15. Paragraphs 1 through 13 of Count One of this Information are realleged and incorporated by reference as though fully set forth herein.

16. From in or about March 1994 up to and including in or about April 1994, in the District of Columbia and elsewhere, JAMES H. LAKE, the defendant, and others known and unknown, unlawfully, willfully and knowingly made a contribution and expenditure aggregating \$2,000 and more in calendar year 1994 in violation of the prohibition against corporate contributions contained in the Federal Election Campaign Act; to wit, a contribution and expenditure totaling \$4,000 of corporate assets belonging to Corporation X, a California corporation, to the Henry Espy for Congress Committee, a federal political committee, in connection with a primary election held to select a candidate for Representative in Congress.

(Title 2, United States Code, Sections 441b(a) and 437g(d)(1)(A); Title 18, United States Code, Section 2).

COUNT THREE

The Independent Counsel further charges:

17. Paragraphs 1 through 13 of Count One of this Information are realleged and incorporated by reference as though fully set forth herein.

18. From in or about March 1994 up to and including in or about April 1994, in the District of Columbia and elsewhere, JAMES H. LAKE, the defendant, and others known and unknown, unlawfully, willfully and knowingly made a contribution in the name of another in violation of the Federal Election Campaign Act; to wit, a contribution in the amount of \$1,000 of corporate assets belonging to Corporation X, a California corporation, in the name of JAMES H.

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LAKE, the defendant, to the Henry Espy for Congress Committee, a federal political committee,
in connection with a primary election held to select a candidate for Representative in Congress.

(Title 2, United States Code, Sections 441f and 437g(d)(1)(A); Title 18, United States
Code, Section 2).

Dated: Washington, D.C.
October 23, 1995

Donald C. Smaltz
DONALD C. SMALTZ
Independent Counsel

Theodore S. Greenberg, Esq.
Special Counsel
Robert W. Ray, Esq.
Associate Independent Counsel
103 Oronoco Street, Suite 200
Alexandria, VA 22314
Tel.: (703) 706-0010

96043742066



OFFICE OF INDEPENDENT COUNSEL

DONALD C. SMALTZ

In re Secretary of Agriculture Espy

P.O. Box 26356
103 Oronoco Street, Suite 200
Alexandria, VA 22313
(703) 706-0010
(FAX) 706-0076

October 23, 1995

Plato Cacheris, Esq.
Cacheris & Treanor
1100 Connecticut Avenue, N.W.
Suite 730
Washington, D.C. 20036

FILED

OCT 25 1995

Clerk, U.S. District Court
District of Columbia

Re: UNITED STATES v. JAMES H. LAKE

Dear Mr. Cacheris:

On the understandings specified below (the "Agreement"), the Office of the Independent Counsel (the "Independent Counsel") will accept a waiver of indictment and guilty plea from James H. Lake to a criminal information (the "Information") charging him in three counts with (i) wire fraud, in violation of Title 18, United States Code, Sections 1343, 1346 and 2 (Count One), (ii) aiding and abetting the making of a corporate campaign contribution, in violation of Title 2, United States Code, Sections 441b(a) and 437g(d)(1)(A), and Title 18, United States Code, Section 2 (Count Two), and (iii) aiding and abetting the making of a campaign contribution in the name of another person, in violation of Title 2, United States Code, Sections 441f and 437g(d)(1)(A), and Title 18, United States Code, Section 2 (Count Three). The charge contained in Count One, a felony, carries a maximum sentence of five years' imprisonment, a maximum term of three years' supervised release, a maximum fine, pursuant to Title 18, United States Code, Section 3571(b), of \$250,000, restitution, and a mandatory \$50 special assessment. The charges contained in Counts Two and Three, Class A misdemeanor offenses, each carry a maximum sentence of one year imprisonment, a maximum term of one year of supervised release, a maximum fine, pursuant to Title 18, United States Code, Section 3571(b), of \$100,000, restitution, and a mandatory \$25 special assessment.

It is understood that James H. Lake, by agreeing to plead guilty as set forth above, waives immunity from prosecution, which was ordered (Misc. No. 95-308), on September 21, 1995, by Chief Judge John Garrett Penn, United States District Court for the District of Columbia, pursuant to Title 18, United States Code, Sections 6002-6003 and conferred in the Grand Jury (95-1) on September 28, 1995. It is further understood that James H. Lake waives the terms of the limited no prosecution agreement, dated May 19, 1995, between the Independent Counsel and James H. Lake, and as extended to the meetings between the Independent Counsel and James H. Lake conducted on June 2, 12, and September 26, 1995.

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It is understood that James H. Lake agrees to make available to the Independent Counsel for use as evidence at any subsequent court proceeding the \$1,000 that he retained as proceeds of the offenses charged in the Information, and further to pay that amount, or such other amount as the sentencing Judge may determine, as restitution at sentencing. It is further understood that within 60 days from the date of this Agreement, James H. Lake agrees to deposit into an account designated by the United States Marshal for the District of Columbia, or such other account designated by the Independent Counsel, the amount of \$150,000 to be held in escrow until sentencing in order to satisfy any fine that the sentencing Judge may impose.

It is understood that James H. Lake (a) shall truthfully and completely disclose all information with respect to the activities of himself and others concerning all matters about which the Independent Counsel inquires of him; (b) shall cooperate fully with the Independent Counsel, the Department of Justice, the Federal Bureau of Investigation, the United States Department of Agriculture, the Federal Election Commission (FEC), and any other law enforcement agency designated by the Independent Counsel; (c) shall attend all meetings at which the Independent Counsel requests his presence; (d) shall provide to the Independent Counsel and the agencies referenced above, upon request, any document, record, or other tangible evidence within his care, custody or control relating to matters about which the Independent Counsel or any law enforcement agency designated by the Independent Counsel inquires of him; (e) shall truthfully testify before the grand jury and at any trial and other court or administrative proceeding with respect to any matters about which the Independent Counsel may request his testimony; and (f) shall commit no further crimes whatsoever. Moreover, any assistance James H. Lake may provide hereunder shall be pursuant to the specific instructions and direction of the Independent Counsel.

If James H. Lake fully complies with the understandings specified in this Agreement, he will not be further prosecuted by the Independent Counsel for any crimes related to his participation, in or about March through June 1994, with Richard Douglas, Sun-Diamond Growers of California, and others, in a conspiracy to commit and the commission of the crimes of mail fraud, wire fraud, interstate transportation of money and property obtained by fraud, and violations of the Federal Election Campaign Act, to the extent James H. Lake has disclosed such participation to the Independent Counsel as of the date of this Agreement. This Agreement does not provide any protection against prosecution for any crimes except as set forth above.

It is further understood that because of James H. Lake's willingness to enter a plea of guilty to the Information and acknowledgment of responsibility for the crimes set forth therein, and if James H. Lake fully complies with the understandings specified in this Agreement, Bozell Worldwide, Inc., Robinson Lake, Lerer & Montgomery, Inc., d/b/a "Robinson Lake Sawyer Miller" (the "companies") will not be prosecuted by the Independent Counsel for any of the crimes, based upon the conduct of James H. Lake, set forth in the preceding paragraph. The Independent Counsel is proceeding on the basis that the information now known to this office -- including, but not limited to the representations of Mr. Lake and

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others -- indicates that the companies were unaware of James Lake's and Richard Douglas' agreement that Sun Diamond would fund and disguise the illegal \$5,000 corporate contribution. It is further understood, however, that the Independent Counsel's agreement not to prosecute the companies is based upon facts now known to the Independent Counsel and available for use as of the date of this Agreement. Should any additional material facts become known to the Independent Counsel concerning the companies, or, alternatively, should James H. Lake fail to fully comply with the understandings specified in this Agreement, the Independent Counsel reserves the right to prosecute the companies for any federal criminal violations of which the Independent Counsel has knowledge.

It is further understood that nothing in this Agreement waives or limits in any way the authority of the FEC to seek civil penalties or other administrative remedies for violations of the Federal Election Campaign Act pursuant to Title 2, United States Code, Section 437g(a).

It is further understood that James H. Lake admits that his conduct knowingly and willfully violated Title 2, United States Code, Sections 441b(a) and 441f of the Federal Election Campaign Act, and that the FEC has the authority to seek civil penalties against him for those violations pursuant to Title 2, United States Code, Section 437g(a)(5). James H. Lake agrees to submit to the FEC's jurisdiction, to cooperate with the FEC in its compliance proceedings against him, including waiving all evidentiary privileges and FEC notification procedures to which he may be entitled, and to enter into a conciliation agreement and pay whatever civil penalty the FEC deems appropriate pursuant to Title 2, United States Code, Section 437g(a)(5).

It is understood that this Agreement does not bind any federal, state, or local prosecuting authority other than the Independent Counsel. The Independent Counsel will, however, bring the cooperation of James H. Lake to the attention of other prosecuting offices, if requested by James H. Lake.

It is understood that the sentence to be imposed upon James H. Lake is within the sole discretion of the sentencing Judge. The Independent Counsel cannot, and does not, make any promise or representation as to what sentence James H. Lake will receive. The Independent Counsel reserves the right to make a sentence recommendation to the sentencing Judge, including whether or not a sentence of imprisonment is appropriate and, if so, the length of any such term of imprisonment. The Independent Counsel and James H. Lake agree, pursuant to Rule 11(e)(1)(C) of the Federal Rules of Criminal Procedure, that James H. Lake pay a fine in the amount of \$150,000, notwithstanding the filing of any Section 5K1.1 motion on behalf of James H. Lake, as set forth below. The Independent Counsel will inform the Probation Department and the sentencing Judge of (a) this Agreement; (b) the nature and extent of James H. Lake's activities with respect to this case and all other activities of James H. Lake which the Independent Counsel deems relevant to sentencing; and (c) the nature and extent of James H. Lake's cooperation with the Independent Counsel. In so doing, the Independent Counsel may use any information it deems relevant, including information provided by James H. Lake both prior

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to and subsequent to the signing of this Agreement. In addition, if the Independent Counsel determines, in his sole and unfettered discretion, that James H. Lake has provided substantial assistance in an investigation and prosecution, and if James H. Lake has fully complied with the understandings specified in this Agreement, the Independent Counsel will file a motion, pursuant to Section 5K1.1 of the Sentencing Guidelines, requesting the sentencing Judge to sentence James H. Lake in light of the factors set forth in Section 5K1.1(a)(1)-(5).

It is understood that, even if such a sentencing motion referred to above is filed, the sentence to be imposed on James H. Lake remains within the sole discretion of the sentencing Judge. Moreover, nothing in this Agreement limits the Independent Counsel's right to present any facts and make any arguments relevant to the sentencing to the Probation Department and the sentencing Judge, or to take any position on post-sentencing motions.

It is understood that, should the Independent Counsel determine that James H. Lake has not provided substantial assistance in an investigation and prosecution as set forth above, or has violated any provision of this Agreement, such a determination will release the Independent Counsel from any obligation to file a motion pursuant to Section 5K1.1 of the Sentencing Guidelines, but will not entitle James H. Lake to withdraw his guilty plea to the Information once it has been entered.

It is understood that, should James H. Lake commit any further crimes or should it be determined that he has given false testimony or information, or should he otherwise violate any provision of this Agreement, James H. Lake shall thereafter be subject to prosecution for any federal criminal violation of which the Independent Counsel has knowledge, including perjury and obstruction of justice. Any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against James H. Lake, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of such prosecution. It is the intent of this Agreement to waive all defenses based on the statute of limitations with respect to any prosecution within the jurisdiction of this Independent Counsel that is not time-barred on the date that this Agreement is signed.

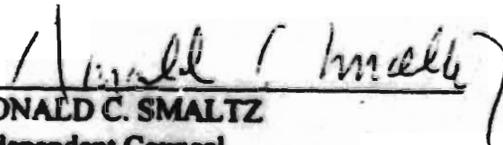
It is understood that in the event that it is determined that James H. Lake has committed any further crimes, given false testimony or information, or otherwise violated any provision of this Agreement, (a) all statements made by James H. Lake to the Independent Counsel or other law enforcement agents, and any testimony given by James H. Lake before a grand jury or other tribunal, whether prior to or subsequent to the signing of this Agreement, and any leads from such statements or testimony shall be admissible in evidence in any criminal proceeding brought against James H. Lake; and (b) James H. Lake shall assert no claim under the United States Constitution, any statute, Rule 11(e)(6) of the Federal Rules of Criminal

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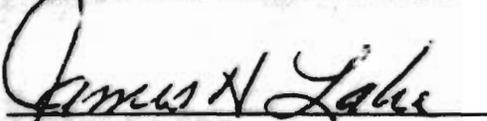
Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or any leads therefrom should be suppressed. It is the intent of this Agreement to waive all rights in the foregoing respects.

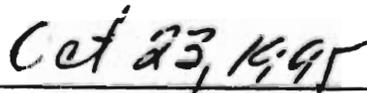
This Agreement supersedes any and all prior understandings, promises, or conditions, whether oral or written, between the Independent Counsel and James H. Lake. No additional understandings, promises, or conditions have been entered into other than those set forth in this Agreement, and none will be entered into unless in writing and signed by all parties.

Very truly yours,


DONALD C. SMALTZ
Independent Counsel
Theodore S. Greenberg, Esq.
Special Counsel
Robert W. Ray, Esq.
Associate Independent Counsel

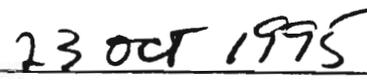
AGREED AND CONSENTED TO:


JAMES H. LAKE


DATE

APPROVED:


PLATO CACHERIS, ESQ.
Attorney for James H. Lake


DATE

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA)

-v-)

JAMES H. LAKE,)

Defendant)
_____)

Criminal No. 95-0267 (RMU)

FILED

OCT 25 1995

Clerk, U.S. District Court
District of Columbia

STATEMENT OF FACTS

Through the testimony of witnesses, and documents, the Government would prove all of the allegations set forth in the Criminal Information at a trial of this matter as follows:

The defendant, JAMES H. LAKE, was at all relevant times, and had been for a number of years, Chairman of the Board and a partner in the firm of ROBINSON, LAKE, LERER & MONTGOMERY, INC. That firm currently does business under the name of ROBINSON LAKE SAWYER MILLER. It is a New York corporation having offices in the District of Columbia and other major cities throughout the United States.

ROBINSON LAKE SAWYER MILLER ("ROBINSON LAKE") is a wholly-owned subsidiary of BOZELL WORLDWIDE, INC., which is, in turn, a

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wholly-owned subsidiary of BOZELL, JACOBS, KENYON & ECKHARDT, INC., a Delaware corporation with its principal place of business in New York City.

ROBINSON LAKE's primary business is lobbying and public relations. It has, through the years, held itself out as being expert in dealings with the United States Department of Agriculture, and with having connections and influence with the USDA.

One of ROBINSON LAKE's clients in 1993 and 1994, and for many years previous, was the California agricultural cooperative corporation, SUN-DIAMOND GROWERS OF CALIFORNIA, which is headquartered in Pleasanton, California. SUN DIAMOND is the "Corporation X" referred to in the Information. The principal business of SUN-DIAMOND GROWERS OF CALIFORNIA is the processing and marketing of agricultural products of its cooperative member firms -- primarily raisins, walnuts, pecans, almonds, hazelnuts, apricots, and prunes.

During the relevant times, SUN-DIAMOND paid ROBINSON LAKE for its professional services a retainer of \$20,000 per month, plus expenses incurred for out-of-pocket disbursements.

SUN-DIAMOND and its member cooperatives have varied and

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extensive dealings with the United States Department of Agriculture, and are participants, beneficiaries, and recipients of various programs administered and funded by the United States Department of Agriculture.

SUN-DIAMOND'S Senior Vice President in Charge of its Corporate Affairs is RICHARD DOUGLAS. He is identified in the Information as the "senior official." RICHARD DOUGLAS' duties included, at all relevant times, directing SUN-DIAMOND's many political and lobbying activities, handling SUN-DIAMOND's campaign contributions, and administering the firm's political action committees.

JAMES LAKE is and was listed on SUN-DIAMOND's organizational chart as having responsibility for SUN-DIAMOND's Washington, D.C. office. Exhibit 1 is an internal SUN-DIAMOND organizational chart depicting the relationship. RICHARD DOUGLAS maintains an office at ROBINSON LAKE's offices in Washington, D.C.

In March 1993, HENRY ESPY had run unsuccessfully in a special primary election for the Democratic nomination for the seat vacated by his brother, MICHAEL ESPY, when he was appointed as SECRETARY of the UNITED STATES DEPARTMENT OF AGRICULTURE in January, 1993. HENRY ESPY'S campaign expenses far exceeded his available campaign funds

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and after his defeat in March, 1993 it became increasingly difficult for him to raise funds to extinguish that indebtedness. RICHARD DOUGLAS, with others, had been tasked to raise money to retire that campaign debt. As at March, 1994, that campaign debt exceeded \$75,000.

In early March 1994 DOUGLAS, in a conversation with JAMES LAKE, told LAKE that MIKE ESPY wanted help from DOUGLAS in raising money to retire HENRY ESPY'S campaign debt. DOUGLAS and LAKE agreed that LAKE, and four other individuals whom LAKE would solicit from ROBINSON LAKE, would each write a check for \$1,000.00 to the HENRY ESPY CAMPAIGN; and, that SUN-DIAMOND, through LAKE, would reimburse each of the contributors for the \$1,000.00 checks. It was part of the agreement that money would be funneled from SUN-DIAMOND through ROBINSON LAKE to JAMES LAKE by means of a false and fraudulent expense item for a purported \$5,000.00 entertainment contribution to the "Joint Center Dinner" on a ROBINSON LAKE expense voucher to SUN-DIAMOND. The voucher with the false \$5,000.00 expense item would be approved by DOUGLAS for payment by SUN-DIAMOND.

The Joint Center was a term used by RICHARD DOUGLAS to refer to a dinner held by the Joint Center for Political & Economic Studies. There was a

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dinner; however, the LAKE \$5,000 expense was completely false and fictitious.

Pursuant to that scheme, JAMES LAKE then wrote a check for \$1,000.00 to "HENRY ESPY FOR CONGRESS CAMPAIGN"; and requested, and obtained from three ROBINSON LAKE officers a \$1,000.00 personal check. JAMES LAKE obtained checks from the then-President of ROBINSON LAKE; a Vice President of ROBINSON LAKE; and a Senior Vice President of ROBINSON LAKE. When JAMES LAKE was unable to secure a fifth person to participate in the scheme, he transferred these four checks for \$1,000.00, made payable to the Henry Espy Campaign for Congress, to RICHARD DOUGLAS. These four checks, on April 1, 1994, were endorsed by RICHARD DOUGLAS and deposited in a bank account in Washington, D.C. entitled "Henry Espy for Congress." At the time JAMES LAKE agreed to participate in the scheme to disguise the SUN-DIAMOND contribution through the individual conduit donors, LAKE knew that it was illegal for SUN-DIAMOND to contribute to a federal election campaign, and he also knew that it was illegal to make personal federal political contributions other than in his own name.

Between March 10 and March 24, 1994, JAMES LAKE, by his personal checks, reimbursed each of the three individuals for their \$1,000.00

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contribution to the HENRY ESPY FOR CONGRESS COMMITTEE.

On March 10, 1994, JAMES LAKE caused a false billable expense report to be prepared and submitted to BOZELL's accounting department, which stated that LAKE incurred a \$5,000.00 "entertainment expense" for the purchase of a ticket to the Joint Center dinner, which \$5,000.00 expense should be charged to SUN-DIAMOND. A copy of that Billable Expense Report is Exhibit 2.

Throughout the scheme and, in particular, on March 11, 1994, in the District of Columbia, JAMES LAKE used his position of authority, trust, and confidence at ROBINSON LAKE to unlawfully and knowingly cause an interstate telephonic transmission of the billable expense report requesting reimbursement to him of \$5,000 for the purchase of a table at the Joint Center dinner to be sent by computer modem from ROBINSON LAKE's office in Washington, D.C. to BOZELL, INC., located in Omaha, Nebraska. JAMES LAKE thus used the means and instrumentalities of the interstate wires to execute an unlawful scheme and artifice to defraud and to deprive ROBINSON LAKE and BOZELL of their respective rights to his honest services in violation of 18 U.S.C. §§ 1343 & 1346, and also to violate the federal campaign laws, 2 U.S.C. §§ 441b(a) and 441f, of the United States of America.

On March 14, 1994, BOZELL transmitted a check for \$5,000.00 to

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JAMES LAKE as reimbursement for that false and fictitious expense. Exhibit 3 is a copy of that check.

JAMES LAKE's false billable expense report caused ROBINSON LAKE to include that false item in its invoice for services to SUN-DIAMOND, dated April 26, 1994, that ROBINSON LAKE sent to SUN-DIAMOND GROWERS OF CALIFORNIA, addressed to:

Dr. Richard Douglas
Sun-Diamond Growers of California
5568 Gibraltar Drive
Pleasanton, California

Exhibit 4-A is a copy of the invoice, and Exhibit 4-B a copy of the false itemization of expenses that contains the false, fictitious and fraudulent \$5,000 item. The invoice, Exhibit 4-A, was approved for payment by DOUGLAS on April 27, 1994, by the handwriting appearing thereon, "OK RD 4-27-94."

SUN-DIAMOND sent a check dated June 2, 1994, on a SUN-DIAMOND corporate account, in full payment to ROBINSON LAKE for the April 1994 bill, which included reimbursement for the false and fictitious \$5,000.00 expense for the Joint Center dinner. Exhibit 5 is a copy of that check.

The checks LAKE obtained from the ROBINSON LAKE employees, his own check, and the billing and payment by SUN-DIAMOND for the \$5,000

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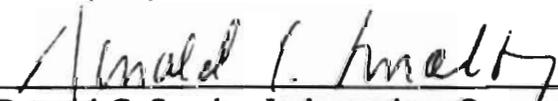
expense for the Joint Center dinner and other activities of LAKE noted herein transformed the campaign contributions made by JAMES LAKE and the other three individuals into a SUN-DIAMOND corporate contribution in violation of:

- (i) 2 U.S.C. § 441b(a), which proscribes the contribution or expenditure of corporate assets to a campaign of a candidate who had sought Federal office; and
- (ii) 2 U.S.C. § 441f, which prohibits the making of a contribution to a campaign of a candidate seeking Federal office through conduits and in the name of another person.

DATED: October 25, 1995

Respectfully submitted,

OFFICE OF INDEPENDENT COUNSEL
DONALD C. SMALTZ
103 Oronoco Street, Suite 200
P.O. Box 26356
Alexandria, VA 22313
(703) 706-0010
FAX: (703) 706-0050



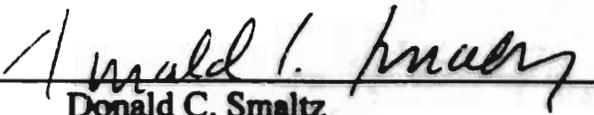
Donald C. Smaltz, Independent Counsel
(Bar No. 37312)

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CERTIFICATE OF SERVICE

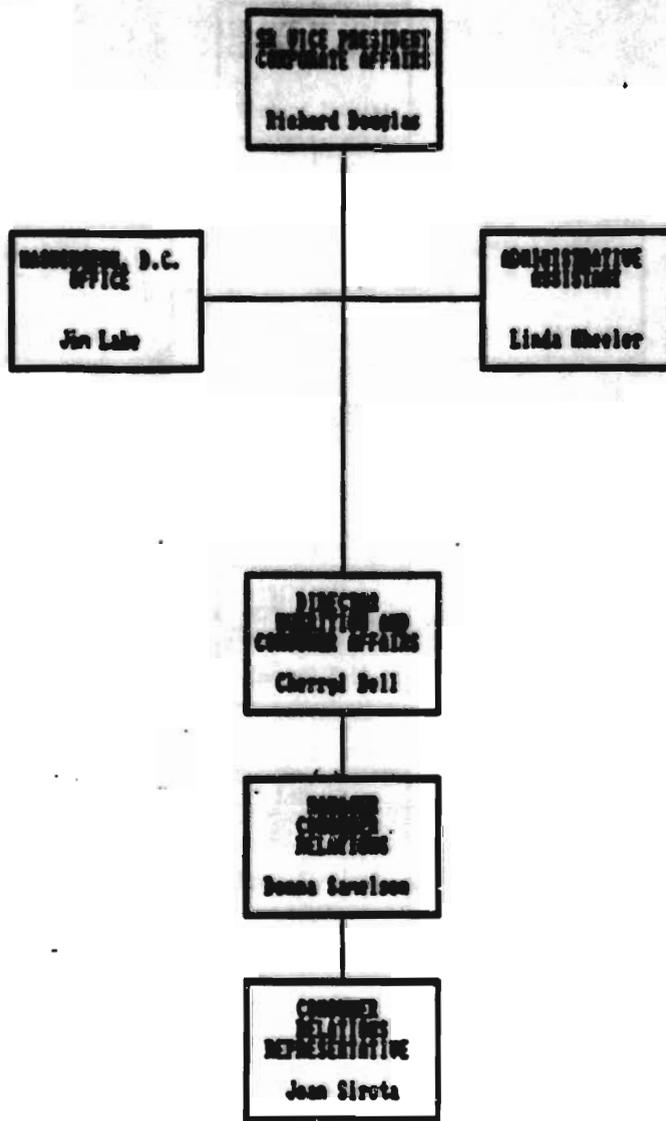
I HEREBY CERTIFY that a copy of the foregoing **STATEMENT OF FACTS** was delivered by facsimile transmission this 25th day of October, 1995, to Plato Cacheris, Esquire, CACHERIS & TREANOR, 1100 Connecticut Avenue, N.W., Suite 730, Washington, D.C. 20036, Counsel for Defendant, at (202) 775-8702.

12:00 noon


Donald C. Smaltz
Independent Counsel

96043742080

CORPORATE AFFAIRS



96043742081

Sun-Diamond

COUNCIL 5

Prepared SKO Date 1/11/94
 Approved RAD Date 1/11/94
 Approved JS Date 2-10-94

3

Do not write, stamp or sign below this line
RESERVED FOR FINANCIAL INSTITUTION USE

James H Lake
Dep. Mgr.
act

JL 12744

BWI0255351

12099260

16/02/88
WINDMILL
WINDMILL
WINDMILL

8-1000-9999
PLEASE PRINT
NAME AND ADDRESS
OF THE PAYEE
82 No. RR

45-92-80 9260910709
E-10000-0150

Bozell Worldwide, Inc.

DD 585305

DATE
3/14/94

JL 12743

78-1304
1048

JAMES H LAKE
NEW YORK

00000

VENDOR# 039L150 0

COUNTERSIGNED

F.U.M.B. #001

MAR 25 1994

ATM TYSONS

VOID IF NOT CASHED
WITHIN 90 DAYS

AMOUNT
*****5,000.00

*****5,000.00

James H Lake
Bozell Worldwide, Inc.
10000

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Robinson, Lake, Lerer & Montgomery
Sawyer Miller Group

Single Connections
1447 K Street Northwest, Suite 900
Washington, DC 20004-1005
(202) 457-6270

RECEIVED
APR 28 1994

April 26, 1994

00251509

4A

Dr. Richard Douglas
Sun Diamond Growers of California
5568 Gibraltar Drive
Pleasanton, California 94566

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March 1994

Invoice #P0390778/P0390779

Washington Representation Services:	\$20,000.00
Expenses (Invoice #P0390779 attached):	<u>\$6,162.66</u>
Total Amount Due:	<u>\$26,162.66</u>

9707270000923

OIC
V-24
4-27-94

VOUCHERED
MAY - 2 1994
INITIAL SA

Please Remit Payment to:

Robinson, Lake, Lerer & Montgomery/
Sawyer Miller Group
P.O. Box 198261
Atlanta, GA 30384

KEY STAMP #1

MAY - 2 1994

ACCOUNTS PAYABLE

RECEIVED
MAY 02 1994
A/P DEPT.

SUN0233611

SDM 004972

4B

April 28, 1994

Dr. Richard Douglas
Sun Diamond Growers of California
5508 Gibraltar Drive
Pleasanton, California 94588

Expenses

Invoice #P0390779

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Business Meals:	\$271.90
Car Service: Richard Douglas on 2/4/94:	\$286.00
Courier:	\$42.50
Federal Express:	\$41.00
Information Services:	\$75.00
Joint Center Dinner:	\$5,000.00
Local Transportation:	\$115.49
Photocopying:	\$134.09
Telephone/Telecopy:	<u>\$196.68</u>
Total:	<u>\$6,162.66</u>

RECEIVED
MAY 02 1994
A/P DEPT.

SUN0233612

SOM 004973

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NationsBank
P.O. Box 160978
Atlanta, Georgia 30384
Customer Service (404) 774-6444

THE FACE OF THIS DOCUMENT HAS A COLORED PATTERN. IF YOU SEE A PATTERN, IT IS A FAKE. (REPLACEMENT)

CHECK NO. 812575  **SUN-DIAMOND GROWERS** 475617
OF CALIFORNIA
DATE 06/07/94 AMOUNT 26,162.66
TWENTY SIX THOUSAND ONE HUNDRED SIXTY TWO AND 66/100 DOLLARS *****

TO ROBINSON LAKE LERER &
THE MONTGOMERY/SAVIER HILLER GROUP 3160
ORDER PO BOX 198261
OF ATLANTA GA 30384

W. P. Beaton

THE BACK OF THIS DOCUMENT CONTAINS AN INK-BLEND SECURITY FEATURE. HOLD AT AN ANGLE TO VIEW

AUDITS: 2010049/0007
008-49-455 198261

06/07/94 BATCH #: 0001
BOZELL, JACOBS, KENYON & ECKHARDT

ITEM: \$26,162.66
BATCH: \$609,560.82

INVOICE NO.	DATE	VOUCHER	GROSS AMOUNT	DISCOUNT	NET AMOUNT
PO390778 22,000.00	062694	251509	26,162.66		26,162.66
PO370779 1,142.13					

CHECK NO.	DATE	VENDOR NO.	VENDOR NAME	TOTAL AMOUNT
812575	060294	001382183	ROBINSON LAKE LERER & SUN-DIAMOND GROWERS OF CALIFORNIA P.O. BOX 1924 PLEASANTON CALIF 94566	26,162.66

96043742086

RLLO269937

JL 13439 1/19



OFFICE OF INDEPENDENT COUNSEL

DONALD C. SMALTZ

In re Secretary of Agriculture Espy

P.O. Box 26356
103 Oronoco Street, Suite 200
Alexandria, VA 22313
(703) 760-0010
(FAX) 706-0076

October 25, 1995

FILED

OCT 25 1995

Clerk, U.S. District Court
District of Columbia

SENT VIA FACSIMILE

Arthur L. Liman, Esquire
Leslie Gordon Fagen, Esquire
Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019-6064

William J. Marlow, Esquire
Loeb & Loeb
345 Park Avenue
New York, New York 10154-0037

Dear Counsel:

This letter addresses matters relating to Bozell Jacobs, Kenyon & Eckhardt, Inc.; Bozell Worldwide, Inc.; and, Robinson, Lake, Lerer & Montgomery, Inc., sometimes doing business as Robinson Lake Sawyer Miller ("Robinson Lake") (collectively the "companies").

We have advised you that James H. Lake has agreed to plead guilty to the three count criminal information attached herewith. The companies were the victims of Lake's activities as follows:

From in or about March 1994 until in or about June 1994, in the District of Columbia and elsewhere, JAMES H. LAKE, the defendant, and others known and unknown, devised and intended to devise a scheme and artifice to defraud, and to deprive another, namely, Bozell, Inc. and RLSM, of the intangible right of honest services, and for obtaining money and property from Bozell, Inc. by, among other things:

- a. creating and causing the creation of a false expense report seeking reimbursement from Bozell, Inc. of money purportedly expended by defendant JAMES H. LAKE for the benefit, and on behalf of corporation X;
- b. falsifying and causing the falsification of the financial books and

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Arthur L. Liman, Esquire
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William J. Marlow, Esquire
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records of Bozell, Inc., and

- c. causing Bozell, Inc. to advance funds for the purpose of concealing an illegal corporate campaign contribution to help retire the campaign debt of Henry Espy;

all by means of false, fictitious and fraudulent pretenses, representations, and promises well knowing at the time that the pretenses, representations, and promises, when they were made to Bozell, Inc., would be and were false, fictitious and fraudulent (Information Par. 12).

We have agreed that Robinson Lake shall submit itself to the jurisdiction of the Federal Election Commission, and the companies shall, and where appropriate, enhance their system of internal controls. In this regard we have agreed as follows:

1. Federal Election Commission (FEC): Robinson Lake agrees to submit to the FEC's jurisdiction with respect to the actions of James H. Lake as described in the attached criminal information and related facts. The companies understand that James H. Lake has admitted that his conduct knowingly and willfully violated the Federal Election Campaign Act (FECA) and will plead guilty to the criminal information. In this regard, Robinson Lake Sawyer Miller agrees that it is vicariously liable as employers for Lake's actions and that the FEC has the authority to seek civil penalties against it for violations of the FECA. The companies agree to cooperate with the FEC in its compliance proceedings, including waiving all evidentiary privileges and notification procedures to which they may be entitled, subject to the letter of Leslie G. Fagen of October 24, 1995 and Robinson Lake agrees to enter into a conciliation agreement and pay whatever civil penalties, if any, the FEC deems appropriate. Nothing herein limits the right of the FEC to proceed against parties other than Robinson Lake, as it deems appropriate.

2. Training: In light of Lake's actions, the companies agree to formulate and implement a special training program (including producing a training manual, a video and holding classes) to further educate their employees and executives about the prohibitions of the Federal Election Campaign Act, federal statutes prohibiting illegal payments and instruct them on how to identify, detect and report errors, irregularities and possible illegal acts (as defined in Generally Accepted Auditing Standards at AU Section 316, The Auditor's Responsibility to Detect and Report Errors and Irregularities; AU Section 317, Illegal Acts By Client).

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Leslie Gordon Fagen, Esquire
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3. **Internal Reporting Structure & Controls:** Within 45 days from the date of this undertaking, the companies shall:

- A. Obtain documentation on and review the current internal reporting structure and controls¹ including the relevant policies, procedures and records and determine whether they have been placed in operation;
- B. Effect and implement corrective action and changes in the internal reporting structure and controls to assure:
- (1) the control environment, accounting system, and control procedures are appropriate, in place, operating effectively and can be relied on to report transactions in accordance with generally accepted accounting principles (or such other comprehensive basis of accounting other than generally accepted accounting principles) and management's general and specific authorizations; and,
 - (2) that errors, irregularities and possible illegal acts² by officers, directors, employees, or agents are detected and appropriately reported in a timely manner.
- C. At the companies expense, engage a qualified professional acceptable to the Office of Independent Counsel to review, evaluate and comment on the relevant internal reporting structure and controls³, the relevant policies and

¹ Considerations of the structure and elements of internal control are addressed in Generally Accepted Auditing Standards, AU Section 319, Consideration of the Internal Control Structure in a Financial Statement Audit.

² Generally Accepted Auditing Standards defines and addresses errors, irregularities and illegal acts in the following standards: AU Section 316, The Auditor's Responsibility to Detect and Report Errors and Irregularities; AU Section 317, Illegal Acts By Clients.

³ For purposes of this undertaking, the 'relevant internal reporting structure and controls' are those related to the disbursements cycle (also called the cash disbursements system). The entities include the 'companies' and such other subsidiaries and/or affiliates as may be necessary.

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Arthur L. Liman, Esquire
Leslie Gordon Fagen, Esquire
William J. Marlow, Esquire
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procedures, and determine whether they have been placed in operation.

- (1) One hundred and eighty (180) days from the date of his engagement, the qualified professional shall:
 - a. review, substantively test and report on the adequacy of the relevant internal reporting structure and controls.⁴
- (2) The report shall set forth (i) the nature and scope of the work, (ii) the findings, and (iii) make recommendations with respect to:
 - a. the specific structure, elements, controls, accounts and transactions;
 - b. departures from the control structure and elements; and,
 - c. changes, modifications or improvements to the control structure.
- (3) Provide the Board of Directors and the Independent Counsel with a copy of such report.

4. **Recommendations:** The Board of Directors shall act on any recommendations of the qualified professional within thirty (30) days of the date of receipt of the report.

to understand and report on the 'relevant internal reporting structure and controls'.

⁴ Communication of Internal Control Structure Related Matters Noted in an Audit, AU Section 325, defines, addresses and provides guidance on 'reportable conditions' which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The categories of 'reportable conditions' are covered in AU Section 325. The 'qualified professional' shall apply all the procedures considered necessary in the circumstances to render a report. Such procedures may include compliance and substantive tests. Engagement restrictions, if any, will be appropriately reported on.

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Arthur L. Liman, Esquire
Leslie Gordon Fagen, Esquire
William J. Marlow, Esquire
October 25, 1995
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- A. If the recommendations are accepted, the Board shall notify the qualified professional and the Independent Counsel in writing of such acceptance and the proposed implementation schedule within ten (10) days of the Board action. A timetable for implementation shall be provided by the Board of Directors to Independent Counsel.
- B. In the event recommendations are disapproved, not implemented or substantially modified without the agreement of the qualified professional, the Board shall prepare a written report addressing the reasons why the recommendations were not accepted and forward such report to the qualified professional and the Independent Counsel within ten (10) days of the Board action.

5. Review: Should the Board of Directors decline to implement any recommendation, the Independent Counsel shall review the circumstances and be free to take whatever actions he deems appropriate.

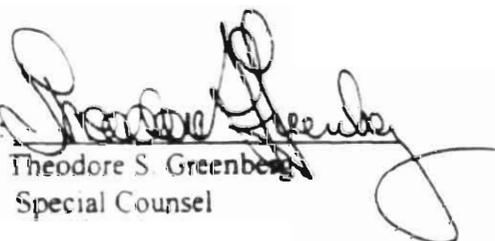
6. Confidentiality: The parties agree to hold in confidence between them the reports, materials and other work product generated by the review process set forth above. The qualified professional shall not publicly disclose any of the confidences that he becomes aware of during the course of his duties. In all events, the qualified professional shall disclose to the Independent Counsel any and all information necessary to carry out the task set forth in this agreement and about any matter which the Independent Counsel inquires.

7. Costs: The companies agree to pay all costs associated with undertaking their actions in a prompt, complete and comprehensive manner.

Sincerely,

DONALD C. SMALTZ
Independent Counsel

By:


Theodore S. Greenberg
Special Counsel

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Arthur L. Linnan, Esquire
Lanika Gordon Pagon, Esquire
William J. Marlow, Esquire
October 25, 1995
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REVIEWED AND AGREED:

Charles D. Peabler, Jr.
Chief Executive Officer
Bosell, Jacobs, Kenyon & Richard, Inc.
Bosell Worldwide, Inc.

Linda Gordon Robinson
Linda Gordon Robinson
President and Chief Executive Officer
Robinson, Lake, Lahr & Montgomery, Inc.
Sometimes doing business as
Robinson Lutz Sawyer Miller

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Arthur L. Limas, Esquire
Linda Gordon Fagan, Esquire
William J. Marlow, Esquire
October 25, 1995
Page 6

REVIEWED AND AGREED:



Charles D. Peabody, Executive J. 2 April 7
Chief Executive Officer Executive Vice Pres.
Bosch, Jacobs, Kenyon & Richard, Inc.
Bosch Worldwide, Inc.

Linda Gordon Robinson
President and Chief Executive Officer
Robinson, Laka, Leber & Montgomery, Inc.
Sometimes doing business as
Robinson Laka Sawyer Miller

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

November 13, 1995

Theodore S. Greenberg, Esquire
Office of Independent Counsel
Donald C. Smaltz, Special Counsel
In re Secretary of Agriculture Espy
P.O. Box 26356
103 Oronoco Street, Suite 200
Alexandria, Virginia 22313

RE: Pre-MUR 321

Dear Mr. Greenberg:

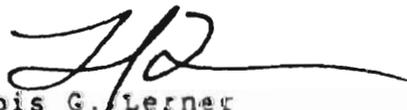
This is to acknowledge receipt of your letter dated October 27, 1995, advising us of the possibility of a violation of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Secretary of Agriculture Espy. We are currently reviewing the matter and will advise you of the Commission's determination.

If you have any questions or additional information, please call at (202) 219-3690. Our file number for this matter is Pre-MUR 321.

Pursuant to 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), the Commission's review of this matter shall remain confidential until the file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

96043742095

OLDAKER, RYAN & LEONARD

ATTORNEYS AT LAW

818 CONNECTICUT AVENUE, N.W.

SUITE 1100

WASHINGTON, D.C. 20006

(202) 728-1010

FACSIMILE (202) 728-4044

WILLIAM C. OLDAKER

December 12, 1995

Dec 12 3 26 PM '95

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

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

PRE MUR 322

RE: James H. Lake, James C. Lake, Jr.
and Michael B. Lake

Dear Mr. Noble:

This letter is submitted on behalf of James H. Lake, James C. Lake, Jr. and Michael B. Lake. We are writing to notify the Federal Election Commission ("FEC" or "Commission") of violations by James H. Lake for the making of a corporate campaign contribution in violation of 2 U.S.C. §441b(a) and 437g(d)(1)(A) and for making of a campaign contribution in the name of another. See 2 U.S.C. §441f and 437g(d)(1)(A). James H. Lake's sons, James C. and Michael B. Lake made apparent inadvertent violations by allowing another to make a contribution in their name. 2 U.S.C. §441f and 437g(d)(1)(A). Pursuant to the Agreement between James H. Lake and Independent Counsel Donald C. Smaltz, we are advising the Commission of the circumstances surrounding these violations within the FEC's jurisdiction and intend to cooperate fully with the FEC in this matter. We request to enter into a conciliation agreement with the Commission and to pay an appropriate civil penalty in order to swiftly resolve this matter.

Summary of Facts

James H. Lake was Chairman of the Board and a partner in the firm of Robinson, Lake, Lerer, & Montgomery, Inc. doing business under the name of Robinson Lake Sawyer Miller (hereinafter referred to as "Robinson Lake"). Robinson Lake is a wholly-owned subsidiary of Bozell Worldwide, Inc., which is a wholly-owned subsidiary of Bozell, Jacobs, Kenyon & Eckhardt. Robinson Lake's primary business is lobbying and public relations.

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One of Robinson Lake's clients was Sun Diamond Growers of California ("Sun Diamond"), a corporation whose headquarters is located in Pleasanton, California. Sun Diamond retained the professional services of Robinson Lake during the relevant time period. Sun Diamond's Senior Vice President in charge of its Corporate Affairs is Richard Douglas. His job includes, but is not limited to, directing Sun Diamond's political and lobbying activities. James H. Lake was listed on Sun Diamond's organizational chart as having responsibility for Sun Diamond's Washington, D.C. office. Richard Douglas maintains an office at Robinson Lake's offices in Washington, D.C.

In March 1993, Henry Espy unsuccessfully ran in a special primary election for the Congressional seat vacated by his brother Michael Espy, former Secretary of Agriculture. Henry Espy's campaign committee, Espy for Congress, was left with a large debt at the conclusion of the race. In an effort to help Espy for Congress to retire its debt, Richard Douglas and others solicited contributions. In March 1994, Richard Douglas contacted James H. Lake to ask his help in raising funds to retire Henry Espy's campaign debt. Douglas and Lake agreed that Lake, and four other individuals whom Lake would solicit from Robinson Lake would each write a check for \$1,000. In return, Sun Diamond reimbursed Lake through Robinson Lake by submitting an expense voucher to Sun-Diamond itemizing a purported entertainment expenditure of \$5,000 for the purchase of a ticket to the "Joint Center Dinner," an annual dinner held by the Joint Center for Political and Economic Studies.

James H. Lake and three other Robinson Lake employees -- James B. Lake, Jr., Michael B. Lake and Mark Helmke, each wrote a personal check for \$1,000 to the Henry Espy for Congress campaign which were forwarded to Richard Douglas. James H. Lake was unable to raise a fifth contribution. On March 14, 1994, Bozell transmitted a check for \$5,000 to James Lake as reimbursement for the listed dinner expense. Sun Diamond also sent a check to Robinson Lake for the \$5,000 expense for the Joint Center dinner. James H. Lake used this money to reimburse James C. Lake, Jr., Michael B. Lake and Mark Helmke for making their contributions. James H. Lake entered into an Agreement with the Independent Counsel which stated that he knew it was illegal for Sun-Diamond to make contributions in connection with a federal election and that it was illegal to circumvent individual contribution limits by making contributions other than in his own name.

Although active in lobbying and public affairs, Mr. Lake's sons, James C. and Michael B. Lake were unaware that their contributions to the Henry Espy for Congress campaign were prohibited. Neither of the sons participate in fundraising activities for political candidates and do not usually make political contributions. They relied solely upon their father's advice that the contributions and reimbursement for them were appropriate behavior. A complete listing of the federal contributions is attached.

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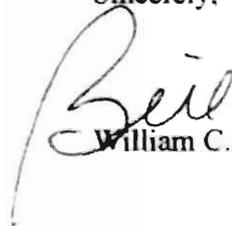
Conclusion

Based upon the investigation conducted by Independent Counsel, we are also confident that no other violations have occurred and this is the full extent of James H. Lake and his sons, Michael B. Lake and James C. Lake, Jr.'s impermissible political activity.

James H. Lake recognizes the gravity of corporate contributions in connection with federal elections and has taken this matter very seriously. He reimbursed each of the three individuals from his own personal funds between March 10 and March 24, 1994.

If you have any questions, or believe that further information is necessary to reach a swift final resolution, please contact me and we will be happy to obtain any information you need.

Sincerely,


William C. Oldaker

Attachments

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INDEX OF ATTACHMENTS

- A. Listing of Violations, filed by Independent Counsel in the U.S. District Court for the District of Columbia. Criminal No. 95-0267, October 23, 1995.**
- B. Statement of Facts, filed by Independent Counsel in the U.S. District Court for the District of Columbia. Criminal No. 95-0267, October 25, 1995.**
- C. Campaign Contribution Documents**
1. Letter from Mark Helmke to James Lake, July 28, 1995. Attached check for \$1,000 from Mark Helmke payable to James Lake, July 28, 1995.
 2. Travel Expense Report Audit from Bozelli, Jacobs, Kenyon and Eckhardt, Inc. to James Lake, March 11, 1994.
 3. Copies of checks for each \$1,000 to James C. Lake and Michael B. Lake from James H. Lake, March 10, 1994.
 4. Riggs Bank, Statement of Account Activity for account # belonging to James H. Lake. Statements shows debit of \$1,000 for check #120 (from James H. Lake to James C. Lake.) on March 14, 1994.
 5. 1st American Bank, deposit ticket, showing deposit of \$5,000 from James H. Lake on March 25, 1994. Notation of "expense reimbursement".
 6. Bozell Worldwide, Inc. statement reflecting account payable of \$5,000, March 14, 1994. Invoice # is 0031094.
 7. Copy of check for \$1,000 payable to Henry Espy for Congress from James H. Lake, March 3, 1994.
 8. Copy of check for \$1,000 payable to Mark Helmke from James H. Lake, March 24, 1994.
 9. First Union National Bank, Statement of Account Activity for personal checking account and instant cash reserve belonging to James H. Lake and Bobbie C. Lake. Statement shows two debits: (1) \$1,000 for check #1262 (from James H. Lake to Mark Helmke), March 28, 1994; and (2) \$1,000 for check #1257 (from James H. Lake to Henry Espy for Congress), April 4, 1994.
 10. Copy of check for \$5,000 payable to James H. Lake from Bozell Worldwide, Inc., March 14, 1994.
 11. Invoice for \$26,162.66 to Sun Diamond Growers of California from Robinson, Lake, Lerer & Montgomery/ Sawyer Miller Group, April 26, 1994. Invoice shows expenditure of \$5,000 for Joint Center Dinner.
 12. Draft invoice and backup documentation, April 25, 1995.
 13. Sun Diamond Growers Billable Expense Report signed by James H. Lake, department head and financial administrator on March 11, 1994. Reflects entertainment expense of \$5,000 for Joint Venture Dinner held on March 10, 1994.

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14. Invoice from Bozell Worldwide, Inc. to Sun Diamond Growers for \$20,000 fee, April 26, 1994. Invoice reflects travel & subsistence expense for \$5,000 by James H. Lake for Joint Venture Dinner.

D. Federal Election Commission Selected List of Receipts & Expenditures

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4. JAMES H. LAKE, the defendant, was in charge of the Washington, D.C. office and held the position of chairman of the board of directors of Robinson, Lake, Lerer & Montgomery, Inc.

5. Until on or about June 1, 1994, RLSM maintained its Washington, D.C. office at 1667 K Street, N.W. On or after June 1, 1994, RLSM's Washington, D.C. office was located at 1501 M Street, N.W.

6. RLSM was owned and controlled by and was a wholly-owned subsidiary of Bozell Worldwide, Inc. (hereinafter, "Bozell" or "Bozell, Inc."), which in turn is owned and controlled by Bozell, Jacobs, Kenyon & Eckhardt, Inc., a Delaware corporation, with its principal place of business in New York, New York.

7. Among the principal businesses of RLSM was lobbying, public relations, communications management, including business related to and before the United States Department of Agriculture.

8. A large California agricultural cooperative corporation ("Corporation X") was one of the most important and long standing agricultural clients of RLSM. Corporation X had various matters then pending before the United States Department of Agriculture.

9. Corporation X's principal place of business was in California, where it grew, produced, processed and marketed the agricultural products of its cooperative members.

a. Since in or about September 1983, a senior official at Corporation X was responsible for Corporation X's Washington, D.C. based political and lobbying activities. This corporate official, among other things, supervised Corporation X's relationship with RLSM and the activities of defendant JAMES H. LAKE, who reported to this official. This corporate official also directed Corporation X's political and other contributions.

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b. JAMES H. LAKE, the defendant, was listed on Corporation X's organizational chart for Corporate Affairs as being responsible for Corporation X's Washington, D.C. office.

c. A senior official at Corporation X maintained an office at RLSM in Washington, D.C.

d. RLSM handled, in part, Corporation X's public relations and lobbying activities, including representing Corporation X's interests before the United States Department of Agriculture. RLSM was on a monthly retainer arrangement plus expenses with its client, Corporation X.

10. On or about March 30, 1993, Henry Espy lost a special primary election for the Democratic nomination for United States Congress in Mississippi. The special election was held to fill the Mississippi second congressional district seat vacated by Michael Espy, who resigned to become the United States Secretary of Agriculture.

11. As the result of Henry Espy's unsuccessful campaign for Congress, certain campaign debts were incurred. By in or about March 1994, the campaign debt was in excess of \$75,000.

a. The Henry Espy for Congress Committee was registered as a principal campaign committee with the Federal Election Commission and was designated and authorized by Henry Espy, pursuant to the Federal Election Campaign Act (FECA), to receive contributions and make expenditures in connection with the candidacy of Henry Espy for United States Congress.

b. FECA, namely, Title 2, United States Code, Section 441b, prohibited, in part and among other things, the contribution or expenditure of corporate assets, whether directly or indirectly, to a campaign of a candidate seeking Federal office.

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c. FECA, namely, Title 2, United States Code, Section 441f, further prohibited, in part and among other things, the making of a disguised contribution to a campaign of a candidate seeking Federal office through a straw donor, or conduit, for the purpose of having the conduit, rather than the true source, pass the funds on to a Federal candidate, or, alternatively, reimbursement of the contribution by the true source to the straw donor which, in effect, converts the donor's contribution to that of the true source.

The Scheme to Defraud

12. From in or about March 1994 until in or about June 1994, in the District of Columbia and elsewhere, JAMES H. LAKE, the defendant, and others known and unknown, devised and intended to devise a scheme and artifice to defraud, and to deprive another, namely, Bozell, Inc. and RLSM, of the intangible right of honest services, and for obtaining money and property from Bozell, Inc. by, among other things:

- a. creating and causing the creation of a false expense report seeking reimbursement from Bozell, Inc. of money purportedly expended by defendant JAMES H. LAKE for the benefit, and on behalf of Corporation X;
- b. falsifying and causing the falsification of the financial books and records of Bozell, Inc.; and
- c. causing Bozell, Inc. to advance funds for the purpose of concealing an illegal corporate campaign contribution to help retire the campaign debt of Henry Espy;

all by means of false, fictitious and fraudulent pretenses, representations, and promises well knowing at the time that the pretenses, representations, and promises, when they were made to Bozell, Inc., would be and were false, fictitious and fraudulent.

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13. For the purpose of executing such scheme and artifice to defraud, and attempting to do so, it was a part of the scheme and artifice to defraud that:

a. On or about March 1, 1994, in a telephone conversation, a senior official at Corporation X contacted JAMES H. LAKE, the defendant, and solicited LAKE's assistance in a federal election campaign contribution scheme in which LAKE agreed, at the senior official's request, to raise approximately \$5,000 to help retire the campaign debt of Henry Espy.

b. JAMES H. LAKE, the defendant, and the senior official agreed they would use \$5,000 of Corporation X's corporate funds to contribute to the campaign fund of Henry Espy for Congress, in violation of FECA.

c. JAMES H. LAKE, the defendant, agreed to enlist the assistance of four other officers and employees of the Washington, D.C. office of RLSM to make personal contributions each in the amount of the maximum allowable FECA contribution for individuals of \$1,000.

d. JAMES H. LAKE, the defendant, agreed with the senior official that LAKE's contribution and that of the other RLSM officers and employees of the Washington, D.C. office would be reimbursed using Corporation X's corporate funds.

e. After on or about March 1, 1994, JAMES H. LAKE, the defendant, agreed with Corporation X's senior official that the reimbursement of the campaign contributors would be accomplished by having RLSM bill Corporation X for a fictitious expense to conceal the reimbursement by Corporation X to the five campaign contributors, including JAMES H. LAKE, of their \$1,000 contribution, in violation of FECA.

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f. JAMES H. LAKE, the defendant, and the senior official at Corporation X agreed that the fictitious expense that RLSM would bill Corporation X for would be the purported purchase of a table for Corporation X at an annual fund-raising dinner (the "Dinner") held by a Washington, D.C. based not-for-profit organization.

g. On or about March 10, 1994, JAMES H. LAKE, the defendant, by virtue of his position and authority at RLSM, created a fictitious expense for the Dinner and requested reimbursement from Bozell, Inc. in the amount of \$5,000, thereby creating false, fictitious and fraudulent entries on Bozell, Inc.'s books and records.

h. On or about March 14, 1994, JAMES H. LAKE, the defendant, caused Bozell, Inc. to issue a check in the amount of \$5,000 as reimbursement to LAKE for funds purportedly expended for the Dinner on behalf of RLSM's client, Corporation X.

i. From on or about March 3, 1994 until on or about March 18, 1994, JAMES H. LAKE, the defendant, solicited four other officers and employees of the Washington, D.C. office of RLSM to each contribute \$1,000 to the Henry Espy for Congress Committee. LAKE promised each of these officers and employees that their campaign contribution would be reimbursed. Three of these individuals did as LAKE requested; the fourth individual refused.

j. From on or about March 3, 1994 until on or about March 24, 1994, JAMES H. LAKE, the defendant, contributed \$1,000 to the Henry Espy for Congress campaign fund and reimbursed three officers and employees of the Washington, D.C. office of RLSM each in the amount of \$1,000 in exchange for their campaign contributions to the Henry Espy campaign.

k. In or about March 1994, JAMES H. LAKE, the defendant, provided to the senior official of Corporation X four checks -- one from JAMES H. LAKE, the defendant, and three others from officers and employees of the Washington, D.C. office of

RLSM – each in the amount of \$1,000 payable to the Henry Espy for Congress Committee.

1. JAMES H. LAKE, the defendant, reimbursed his own contribution in the amount \$1,000 and retained approximately \$1,000 of the \$5,000 amount reimbursed to him from Bozell, Inc. as a consequence of the submission of a false, fictitious and fraudulent billable expense report.

m. On or about April 26, 1994, JAMES H. LAKE, the defendant, by virtue of his position and authority at RLSM, caused RLSM to bill Corporation X, in part and among other things, for the false, fictitious and fraudulent \$5,000 expense for the Dinner.

n. On or about April 27, 1994, a senior official at Corporation X, in his capacity as an officer of Corporation X, approved for payment RLSM's invoice containing the \$5,000 expense for the Dinner and thereby caused Corporation X, on or about June 2, 1994, to send its check, payable to RLSM, which, in part, represented Corporation X's payment of the false, fictitious and fraudulent \$5,000 expense for the Dinner.

The Wire Communication

14. On or about March 11, 1994, in the District of Columbia and elsewhere, for the purpose of executing the scheme and artifice to defraud set forth in Paragraphs 1 through 13 above, and attempting to do so, JAMES H. LAKE, the defendant, unlawfully, willfully and knowingly transmitted and caused to be transmitted by means of a wire communication, to wit, a telephonic communication by computer modem between RLSM, in Washington, D.C. and Bozell, Inc., in Omaha, Nebraska, in interstate commerce, writings, signs, signals, and sounds, to wit, a billable expense report requesting reimbursement for a \$5,000 expense for the purchase of a table at the Dinner.

(Title 18, United States Code, Sections 1343, 1346 and 2).

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COUNT TWO

The Independent Counsel further charges:

15. Paragraphs 1 through 13 of Count One of this Information are realleged and incorporated by reference as though fully set forth herein.

16. From in or about March 1994 up to and including in or about April 1994, in the District of Columbia and elsewhere, JAMES H. LAKE, the defendant, and others known and unknown, unlawfully, willfully and knowingly made a contribution and expenditure aggregating \$2,000 and more in calendar year 1994 in violation of the prohibition against corporate contributions contained in the Federal Election Campaign Act; to wit, a contribution and expenditure totaling \$4,000 of corporate assets belonging to Corporation X, a California corporation, to the Henry Espy for Congress Committee, a federal political committee, in connection with a primary election held to select a candidate for Representative in Congress.

(Title 2, United States Code, Sections 441b(a) and 437g(d)(1)(A); Title 18, United States Code, Section 2).

COUNT THREE

The Independent Counsel further charges:

17. Paragraphs 1 through 13 of Count One of this Information are realleged and incorporated by reference as though fully set forth herein.

18. From in or about March 1994 up to and including in or about April 1994, in the District of Columbia and elsewhere, JAMES H. LAKE, the defendant, and others known and unknown, unlawfully, willfully and knowingly made a contribution in the name of another in violation of the Federal Election Campaign Act; to wit, a contribution in the amount of \$1,000 of corporate assets belonging to Corporation X, a California corporation, in the name of JAMES H.

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LAKE, the defendant, to the Henry Espy for Congress Committee, a federal political committee,
in connection with a primary election held to select a candidate for Representative in Congress.

(Title 2, United States Code, Sections 441f and 437g(d)(1)(A); Title 18, United States
Code, Section 2).

Dated: Washington, D.C.
October 23, 1995

/s/ Donald C. Smaltz
DONALD C. SMALTZ
Independent Counsel

Theodore S. Greenberg, Esq.
Special Counsel
Robert W. Ray, Esq.
Associate Independent Counsel
103 Oronoco Street, Suite 200
Alexandria, VA 22314
Tel.: (703) 706-0010

96043742108

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA)

-v-)

JAMES H. LAKE,)

Defendant)

Criminal No. 95-0267 (RMU)

FILED

OCT 25 1995

Clerk, U.S. District Court
District of Columbia

STATEMENT OF FACTS

Through the testimony of witnesses, and documents, the Government would prove all of the allegations set forth in the Criminal Information at a trial of this matter as follows:

The defendant, JAMES H. LAKE, was at all relevant times, and had been for a number of years, Chairman of the Board and a partner in the firm of ROBINSON, LAKE, LERER & MONTGOMERY, INC. That firm currently does business under the name of ROBINSON LAKE SAWYER MILLER. It is a New York corporation having offices in the District of Columbia and other major cities throughout the United States.

ROBINSON LAKE SAWYER MILLER ("ROBINSON LAKE") is a wholly-owned subsidiary of BOZELL WORLDWIDE, INC., which is, in turn, a

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wholly-owned subsidiary of BOZELL, JACOBS, KENYON & ECKHARDT, INC., a Delaware corporation with its principal place of business in New York City.

ROBINSON LAKE's primary business is lobbying and public relations. It has, through the years, held itself out as being expert in dealings with the United States Department of Agriculture, and with having connections and influence with the USDA.

9 6 0 4 3 7 4 2 1 1 0

One of ROBINSON LAKE's clients in 1993 and 1994, and for many years previous, was the California agricultural cooperative corporation, SUN-DIAMOND GROWERS OF CALIFORNIA, which is headquartered in Pleasanton, California. SUN DIAMOND is the "Corporation X" referred to in the Information. The principal business of SUN-DIAMOND GROWERS OF CALIFORNIA is the processing and marketing of agricultural products of its cooperative member firms -- primarily raisins, walnuts, pecans, almonds, hazelnuts, apricots, and prunes.

During the relevant times, SUN-DIAMOND paid ROBINSON LAKE for its professional services a retainer of \$20,000 per month, plus expenses incurred for out-of-pocket disbursements.

SUN-DIAMOND and its member cooperatives have varied and

extensive dealings with the United States Department of Agriculture, and are participants, beneficiaries, and recipients of various programs administered and funded by the United States Department of Agriculture.

SUN-DIAMOND'S Senior Vice President in Charge of its Corporate Affairs is RICHARD DOUGLAS. He is identified in the Information as the "senior official." RICHARD DOUGLAS' duties included, at all relevant times, directing SUN-DIAMOND's many political and lobbying activities, handling SUN-DIAMOND's campaign contributions, and administering the firm's political action committees.

JAMES LAKE is and was listed on SUN-DIAMOND's organizational chart as having responsibility for SUN-DIAMOND's Washington, D.C. office. Exhibit 1 is an internal SUN-DIAMOND organizational chart depicting the relationship. RICHARD DOUGLAS maintains an office at ROBINSON LAKE's offices in Washington, D.C.

In March 1993, HENRY ESPY had run unsuccessfully in a special primary election for the Democratic nomination for the seat vacated by his brother, MICHAEL ESPY, when he was appointed as SECRETARY of the UNITED STATES DEPARTMENT OF AGRICULTURE in January, 1993. HENRY ESPY'S campaign expenses far exceeded his available campaign funds

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and after his defeat in March, 1993 it became increasingly difficult for him to raise funds to extinguish that indebtedness. RICHARD DOUGLAS, with others, had been tasked to raise money to retire that campaign debt. As at March, 1994, that campaign debt exceeded \$75,000.

In early March 1994 DOUGLAS, in a conversation with JAMES LAKE, told LAKE that MIKE ESPY wanted help from DOUGLAS in raising money to retire HENRY ESPY'S campaign debt. DOUGLAS and LAKE agreed that LAKE, and four other individuals whom LAKE would solicit from ROBINSON LAKE, would each write a check for \$1,000.00 to the HENRY ESPY CAMPAIGN; and, that SUN-DIAMOND, through LAKE, would reimburse each of the contributors for the \$1,000.00 checks. It was part of the agreement that money would be funneled from SUN-DIAMOND through ROBINSON LAKE to JAMES LAKE by means of a false and fraudulent expense item for a purported \$5,000.00 entertainment contribution to the "Joint Center Dinner" on a ROBINSON LAKE expense voucher to SUN-DIAMOND. The voucher with the false \$5,000.00 expense item would be approved by DOUGLAS for payment by SUN-DIAMOND.

The Joint Center was a term used by RICHARD DOUGLAS to refer to a dinner held by the Joint Center for Political & Economic Studies. There was a

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dinner; however, the LAKE \$5,000 expense was completely false and fictitious.

Pursuant to that scheme, JAMES LAKE then wrote a check for \$1,000.00 to "HENRY ESPY FOR CONGRESS CAMPAIGN"; and requested, and obtained from three ROBINSON LAKE officers a \$1,000.00 personal check. JAMES LAKE obtained checks from the then-President of ROBINSON LAKE; a Vice President of ROBINSON LAKE; and a Senior Vice President of ROBINSON LAKE. When JAMES LAKE was unable to secure a fifth person to participate in the scheme, he transferred these four checks for \$1,000.00, made payable to the Henry Espy Campaign for Congress, to RICHARD DOUGLAS. These four checks, on April 1, 1994, were endorsed by RICHARD DOUGLAS and deposited in a bank account in Washington, D.C. entitled "Henry Espy for Congress." At the time JAMES LAKE agreed to participate in the scheme to disguise the SUN-DIAMOND contribution through the individual conduit donors, LAKE knew that it was illegal for SUN-DIAMOND to contribute to a federal election campaign, and he also knew that it was illegal to make personal federal political contributions other than in his own name.

Between March 10 and March 24, 1994, JAMES LAKE, by his personal checks, reimbursed each of the three individuals for their \$1,000.00

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contribution to the HENRY ESPY FOR CONGRESS COMMITTEE.

On March 10, 1994, JAMES LAKE caused a false billable expense report to be prepared and submitted to BOZELL's accounting department, which stated that LAKE incurred a \$5,000.00 "entertainment expense" for the purchase of a ticket to the Joint Center dinner, which \$5,000.00 expense should be charged to SUN-DIAMOND. A copy of that Billable Expense Report is Exhibit 2.

Throughout the scheme and, in particular, on March 11, 1994, in the District of Columbia, JAMES LAKE used his position of authority, trust, and confidence at ROBINSON LAKE to unlawfully and knowingly cause an interstate telephonic transmission of the billable expense report requesting reimbursement to him of \$5,000 for the purchase of a table at the Joint Center dinner to be sent by computer modem from ROBINSON LAKE's office in Washington, D.C. to BOZELL, INC., located in Omaha, Nebraska. JAMES LAKE thus used the means and instrumentalities of the interstate wires to execute an unlawful scheme and artifice to defraud and to deprive ROBINSON LAKE and BOZELL of their respective rights to his honest services in violation of 18 U.S.C. §§ 1343 & 1346, and also to violate the federal campaign laws, 2 U.S.C. §§ 441b(a) and 441f, of the United States of America.

On March 14, 1994, BOZELL transmitted a check for \$5,000.00 to

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JAMES LAKE as reimbursement for that false and fictitious expense. Exhibit 3 is a copy of that check.

JAMES LAKE's false billable expense report caused ROBINSON LAKE to include that false item in its invoice for services to SUN-DIAMOND, dated April 26, 1994, that ROBINSON LAKE sent to SUN-DIAMOND GROWERS OF CALIFORNIA, addressed to:

Dr. Richard Douglas
Sun-Diamond Growers of California
5568 Gibraltar Drive
Pleasanton, California

Exhibit 4-A is a copy of the invoice, and Exhibit 4-B a copy of the false itemization of expenses that contains the false, fictitious and fraudulent \$5,000 item. The invoice, Exhibit 4-A, was approved for payment by DOUGLAS on April 27, 1994, by the handwriting appearing thereon, "OK RD 4-27-94."

SUN-DIAMOND sent a check dated June 2, 1994, on a SUN-DIAMOND corporate account, in full payment to ROBINSON LAKE for the April 1994 bill, which included reimbursement for the false and fictitious \$5,000.00 expense for the Joint Center dinner. Exhibit 5 is a copy of that check.

The checks LAKE obtained from the ROBINSON LAKE employees, his own check, and the billing and payment by SUN-DIAMOND for the \$5,000

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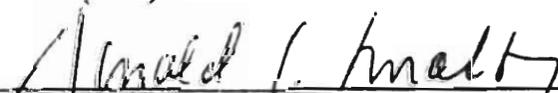
expense for the Joint Center dinner and other activities of LAKE noted herein transformed the campaign contributions made by JAMES LAKE and the other three individuals into a SUN-DIAMOND corporate contribution in violation of:

- (i) 2 U.S.C. § 441b(a), which proscribes the contribution or expenditure of corporate assets to a campaign of a candidate who had sought Federal office; and
- (ii) 2 U.S.C. § 441f, which prohibits the making of a contribution to a campaign of a candidate seeking Federal office through conduits and in the name of another person.

DATED: October 25, 1995

Respectfully submitted,

OFFICE OF INDEPENDENT COUNSEL
DONALD C. SMALTZ
103 Oronoco Street, Suite 200
P.O. Box 26356
Alexandria, VA 22313
(703) 706-0010
FAX: (703) 706-0050


Donald C. Smaltz, Independent Counsel
(Bar No. 37312)

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CERTIFICATE OF SERVICE

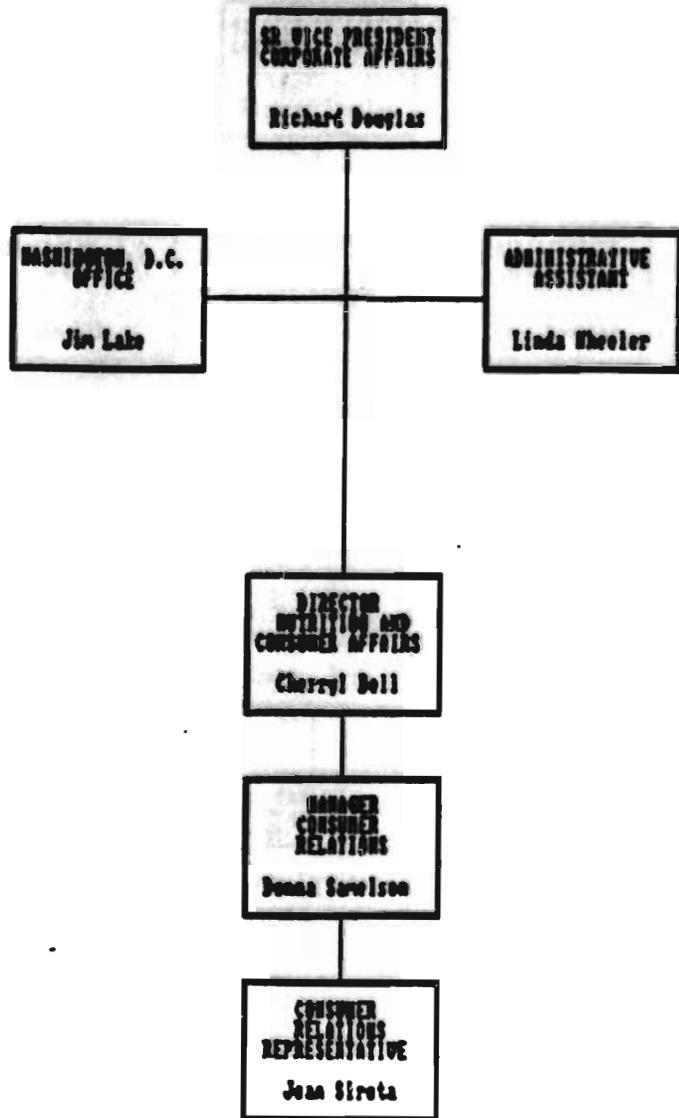
I HEREBY CERTIFY that a copy of the foregoing **STATEMENT OF FACTS** was delivered by facsimile transmission this 25th day of October, 1995, to Plato Cacheris, Esquire, **CACHERIS & TREANOR**, 1100 Connecticut Avenue, N.W., Suite 730, Washington, D.C. 20036, Counsel for Defendant, at (202) 775-8702.

12:00 noon


Donald C. Smaltz
Independent Counsel

96043742117

CORPORATE AFFAIRS



96043742118

Suz-Diamond
COUNT: 5

Prepared SKD Date 1/11/94
 Approved [Signature] Date 1/11/94
 Approved JS Date 2-10-94

24

BILLABLE EXPENSE REPORT

Name James Lake Employee Number 101486
Client Sun Diamond 94 SUN 7313
Period: From 3/10 to 3/10

JHL0201436

9 6 0 4 3 7 4 2 1 9

Table with columns: DATE, DESCRIPTION, JOB NUMBER, TRANSPORTATION, MEALS, LODGING, ENTERTAINMENT, OTHER, Rcpt. (R). Includes handwritten entries for 3/10: Joint Ventures Dinner, 94 SUN 7313, \$5000.00, and handwritten notes L150, 7313, 097, 1, 5000.00.

Expenses held in excess of 45 days will be disallowed.

James Lake (EMPLOYEE)
(MGMT. SUPV./DEPT. HEAD)
(FINANCIAL ADMINISTRATOR)

(DATE) 3-10-94
(DATE) 3/11/94
(DATE)

TOTAL THIS REPORT \$ 5000.00
LESS ADVANCES
BALANCE DUE AGENCY ME \$ 5000.00
AIR TRAVEL CHARGED

JL 11916

X James H Lake
Dep. Pres.
at

Do not write, stamp or sign below this line
RESERVED FOR FINANCIAL INSTITUTION USE

JL 12744

1-800-0901
CALL OR WRITE TODAY
FOR ALL THE INFORMATION YOU
NEED
MAR 28

0510-15003-3
502815003-3
502815003-3
03-28-94

09766071

FINE VIRGINIA 03/25/94
RICHMOND VA
MSM-013144

1000 0012 8

BW10255351

Bozell Worldwide, Inc.

DD 585305

FIRST NATIONAL BANK
DAVID CITY BRANCH

JL 12743

78.1304
1000

BW10255350

DATE

3/14/94

AMOUNT

****5,000.00

****5,000.00

VOID IF NOT CASHED
WITHIN 90 DAYS

F.U.M.B. #001

602960925
MAR 25 1994

03-28-94

[Signature]

ATM TYSONS

JAMES H LAKE

NEW YORK

00000

PRINT TO THE ORDER OF

VEN.0000 630L150 D

COUNTERSIGNED



9 6 0 4 3 7 4 2 1 2 0

1382183

00251509

**Robinson, Lake, Lerer & Montgomery
Sawyer Miller Group**

Strategic Consultants
1657 K Street Northwest, Suite 900
Washington, DC 20006-1665
(202) 457-9278

RECEIVED
APR 28 1994

April 26, 1994

Dr. Richard Douglas
Sun Diamond Growers of California
5568 Gibraltar Drive
Pleasanton, California 94566

96043742121

March 1994

Invoice #P0390778/P0390779

Washington Representation Services:	\$20,000.00
Expenses (Invoice #P0390779 attached):	<u>\$6,162.66</u>
Total Amount Due:	<u>\$26,162.66</u>

9707270000923

OIC
i-24
4-27-94

VOUCHERED
MAY - 2 1994
INITIAL SA

RECEIVED
MAY 02 1994
A/P DEPT.

SUN0233611

Please Remit Payment to:

Robinson, Lake, Lerer & Montgomery/
Sawyer Miller Group
P.O. Box 198261
Atlanta, GA 30384

KEY STAMP #1
MAY - 2 1994
ACCOUNTS PAYABLE

SDM 004972

April 28, 1994

Dr. Richard Douglas
Sun Diamond Growers of California
5568 Gibraltar Drive
Pleasanton, California 94566

Expenses

Invoice #P0390779

Business Meals:	\$271.90
Car Service: Richard Douglas on 2/4/94:	\$286.00
Courier:	\$42.50
Federal Express:	\$41.00
Information Services:	\$75.00
Joint Center Dinner:	\$5,000.00
Local Transportation:	\$115.49
Photocopying:	\$134.09
Telephone/Telecopy:	\$196.68
Total:	<u>\$6,162.66</u>

RECEIVED
MAY 02 1994
A/P DEPT.

SUN0233612

SDM 004973

96043742122

NationsBank
 P.O. Box 100778
 Atlanta, Georgia 30384
 Customer Service (404) 774-6444

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND AND A WHITE BACKGROUND

CHECK NO. 812575  SUN-DIAMOND GROWERS 475617 10-11
 OF CALIFORNIA
 DATE 06/02/94 AMOUNT \$26,162.66

TWENTY SIX THOUSAND ONE HUNDRED SIXTY TWO AND 00/100 DOLLARS

TO ROBINSON LAKE LERER & 3150
 THE MONTGOMERY/SALTER MILLER GROUP
 ORDER PO BOX 198261
 OF ATLANTA GA 30384

07052010049 0034555 8261

W. P. Beaton

THE REVERSE OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK. HOLD AT AN ANGLE TO VIEW

AUDITS: 2010049/0007
 008-49-455 198261

06/07/94 BATCH #: 0001
 BOZELL, JACOBS, KENYON & ECKHARDT

ITEM: \$26,162.66
 BATCH: \$609,560.82

INVOICE NO.	DATE	VOUCHER	GROSS AMOUNT	DISCOUNT	NET AMOUNT
P0390778 29,900.00	062694	251509	26,162.66		26,162.66
P0370779 142.15					

CHECK NO.	DATE	VENDOR NO.	VENDOR NAME	TOTAL AMOUNT
812575	060294	001382183	ROBINSON LAKE LERER & SUN-DIAMOND GROWERS OF CALIFORNIA P.O. BOX 9024 PLEASANTON, CALIF. 94566	26,162.66

96043742123

RLLO269937

JL 13439

EXHIBIT C

9 6
LAKE, James
Campaign Contribution Documents
C-2330

MARK HELMKE

**"STONE SOUP"
909 QUAKER LANE
ALEXANDRIA
VIRGINIA
22308**

July 28, 1995

James H. Lake
Robinson Lake Sawyer Miller
1501 M St., NW Suite 600
Washington, DC 20005

Dear Jim:

In March 1994, you gave me a personal check for \$1,000 in return for my contribution of the same amount to the Henry Espy for Congress campaign fund. I should not have received payment from you, and I am returning the funds to you by the attached check.

Sincerely,



Mark Helmke

96043742125

2256

MARK C. HELMKE 9-80
SUE A. STONE-HELMKE
909 QUAKER LANE
ALEXANDRIA, VA 22302

28 July 1995

15-155
540

PAY TO THE ORDER OF James H. Lake \$ 1,000.00

One-thousand and 00/100 DOLLARS

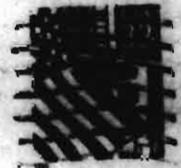
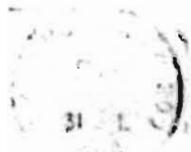
THE PALMER NATIONAL BANK
1647 K STREET, N.W.
WASHINGTON, D.C. 20006

all call

MEMO

9 6 0 4 3 7 4 2 1 2 6

MHECHKE
909 Quaker Lane
Alexandria, VA 22302

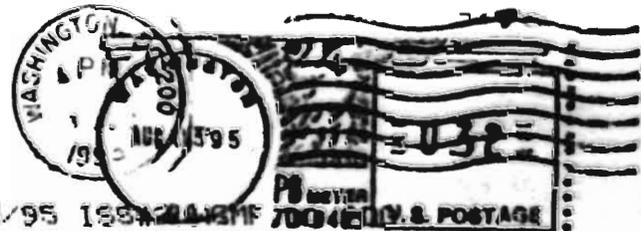


James H. Lake
Robinson Lake Sawyer Miller
1501 M St, NW #600
Washington, DC 20005

Personal



ROBINSON LAKE SAWYER MILLER
Communications Management



21:46 08/03/95 1554243MF 700460 U.S. POSTAGE



Plato Cacheris
1100 Connecticut Ave NW
Suite 730
Washington DC 20036



BOZELL, JACOBS, KENTON & ECKHARDT, INC.

Travel Expense Report Audit

Employee Name James Late

Date 03/11/94

NO Exceptions to Policy

Your Travel Report is being returned for the exceptions noted below.

Please adjust your report as such expenses are not in accordance with company policy.

- Unauthorized First Class travel
- Over daily meal allowance of \$45.00
- No receipt - Meal
- No receipt - Entertainment
- No receipt - Transportation cost over \$5.00
- Insurance on rental car
- Personal expense
- Employee entertaining employee
- Late/weekend work - meal over limit
- Expenses in excess of 45 days

Other: no receipt for Dinner
for the whole
in B-16

Preparer Melanie Simmons

Date 03/11/94

Exceptions Corrected _____

Date _____

NOTE: ALL BILLABLE EXPENSE REPORTS MUST BE SUBMITTED WITH ORIGINAL RECEIPTS PLUS TWO COPIES OF SAME OR REPORT WILL BE RETURNED.

THANK YOU.

PLEASE DO NOT REMOVE THIS SLIP!!

Revised 12/87

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BOZ0272247

BW000019

96043742129

JAMES H. LAKE

JL 011891 121

3/10 19 94

PAY TO THE ORDER OF Michael H. Lake U.N.B. #001 \$ 1000

One Thousand & 00/100 MAR 11 1994 DOLLARS

 **RIGGS** The Riggs National Bank of Maryland
Federal Reserve Member
18150 River Road
Pentagon, Maryland 20914

MEMO ATM TYSONS
James H. Lake

ENDORSE HERE

MAR 11 1994

ATM TYSONS

U.N.B. #001

00000000000000000000

FEDERAL RESERVE BOARD OF GOVERNORS REG. CC

DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE *

0106
5106
PROCESSED
MAR 11 1994
AT. BANK

Michael H. Lake

CHANGE OF ADDRESS/CORRECTION OF INFORMATION

Please use this form to give us your new address or to correct any errors in your name or address.

Correction of Name (Do not use this form to add or delete names)

New Street Address

City

State

Zip Code

Home Phone with Area Code

Business Phone with Area Code

Effective Date of Change

Change address on: This Account Only All Accounts

Account Holder Signature

Account Holder Social Security Number

Mail to: Riggs National Bank, PO Box 96758, Washington, DC 20090-6758

Cut Along This Line

ELECTRONIC BANKING CUSTOMERS

TO REPORT LOST OR STOLEN CARDS, CALL 202-835-6666. IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS OR RIGGS ELECTRONIC BANKING NETWORK TRANSACTIONS: If you think your statement or receipt is wrong or you need more information about an electronic transfer on your statement or on a receipt, contact us as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. Call us at (202) 835-CARD or write to: Riggs National Bank, Electronic Banking Department, P.O. Box 96214, Washington, D.C. 20090-6214.

When you contact us, please provide the following information:

- 1) your name and account number
- 2) the dollar amount of the suspected error
- 3) describe the error or transfer you are unsure about and explain as clearly as you can why you believe there is an error or why you need more information.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will recredit your account for the amount you think in error, so that you will have the use of the money during the time it takes to complete our investigation.

RIGGSLINE CUSTOMERS

FINANCE CHARGE AND BALANCE COMPUTATION. Your FINANCE CHARGE is the sum of all daily Finance Charges during the billing cycle. We figure the daily Finance Charge on your account by applying the daily periodic rate to the outstanding principal balance at the end of each day. To get the outstanding principal balance, we take the amount you owe us at the end of the previous day (excluding Finance Charges, delinquency charges and credit life insurance premiums), subtract any payments and credits (excluding payments applied to Finance Charges, delinquency charges and credit life insurance premiums), and then add any new loans.

- 2) the dollar amount of the suspected error
- 3) describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are obligated to pay the parts of your statement which are not in question. While we investigate your question we cannot report you as delinquent or take any action to collect the amount in question. If payment is necessary, mail payment to: Riggs National Bank, Department 0084, Washington, D.C. 20073-0084.

SPECIAL RULE FOR AMEX GOLD CARD CUSTOMER PURCHASES

If you have a problem with the quality of goods and services that you purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price was more than \$50 and the purchase was made your home state or within 100 miles of your mailing address. (If we own or operate the merchant, or if we mailed you the advertisement for the property or services, all purchases are covered regardless of amount or location of purchase.)

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ACCOUNT: If you think your statement is wrong, or if you need more information about a transaction on your statement, write to us on a separate sheet of paper as soon as possible and mail to: Riggs National Bank, Consumer Loan Services, P.O. Box 95909, Washington, D.C. 20090-6909. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You can telephone us, but doing so will NOT preserve your rights. When you contact us, please give us the following information:

- 1) your name and account number

BALANCING YOUR CHECKING OR NOW ACCOUNT

Before You Begin:

1. Compare your cancelled checks with your check register to detect possible recording errors.
2. Make sure that all ATM transactions appearing on your statement are recorded in your checkbook.

Begin With Your Checkbook:

1. Enter your checkbook balance \$ _____
2. Add any deposits, interest payments or other credits appearing on this statement, not previously recorded + _____
(Also record them in your checkbook.)
3. Subtract any charges, fees, or other deductions appearing on this statement, not previously recorded - _____
(Also record them in your checkbook.)
4. Your new checkbook balance is: Total \$ _____

From Your Bank Statement:

1. Enter your statement New Balance \$ _____
2. Add any recent deposits which do not appear on this statement (Box 1) + _____
3. Subtract any recent checks or ATM withdrawals which do not appear on this statement (Box 2) - _____
4. This balance should equal your new checkbook balance shown above. TOTAL \$ _____

1. DEPOSITS NOT CREDITED	
DATE	AMOUNT

2. OUTSTANDING CHECKS OR ATM ACTIVITY	
NUMBER	AMOUNT
TOTAL	

PLEASE EXAMINE AND BALANCE THIS STATEMENT. ADVISE THE BANK PROMPTLY OF ANY EXCEPTIONS BY CALLING RIGGS SERVICE LINE LOCALLY AT (202) 835-6000 OR 1-800-368-5800 IF OUTSIDE THE D.C. METROPOLITAN AREA. TO PRESERVE YOUR RIGHTS YOU MUST WRITE TO US AT RIGGS NATIONAL BANK, P.O. BOX 96758, WASHINGTON, D.C. 20090-6758 WITHIN 60 CALENDAR DAYS (30 DAYS FOR BUSINESS ACCOUNTS) OF THE MAILING OF THE FIRST STATEMENT CONTAINING THE EXCEPTION, ERROR OR QUESTIONED TRANSACTION OR UNAUTHORIZED ITEM OR TRANSFER.

JL 011893

RM 01/98

96943742130

DEPOSIT TICKET

JAMES H. LAKE 2-74
 4813 FOXHALL CRESCENTS, N.W.
 WASHINGTON, D.C. 20007

DATE 3/26/94
 DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

FOR USE FOR CASH RECEIVED IF REQUIRED

FIRST AMERICAN BANK
 FIRST AMERICAN BANK, N.A.
 WASHINGTON, DC 20008

CASH	CURRENCY	
	DOLLARS	CENTS
71.304	5000	
61.139	190	52
TOTAL FROM OTHER BANK		
TOTAL		
LESS CASH RECEIVED		
NET DEPOSIT	5790	52

USE OTHER SIDE FOR ADDITIONAL LISTING

BE SURE CASH FROM IS PROPERLY ENDORSED

exp. reimb.

JL 011894

FOR MORE INFORMATION SEE THE REVERSE SIDE OF THIS TICKET OR ANY APPLICABLE COLLECTION AGREEMENT.

96043742131

ENTER TOTAL ON THE FRONT OF THIS TICKET

CHECKS LIST NUMBER	DOLLARS	CENTS
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
TOTAL		

NETTAGE
SPACE

Bozell Worldwide, Inc.

DD 585305

INV #	DATE	DISCOUNT	PAYABLE	INV #	DATE	DISCOUNT	PAYABLE
0031094	3/10/94		5000.00				

DATE 3/14/94

ENCLOSURE OF ATTACHED CHECK COPY
DELETED FROM THE ORIGINAL COPY

TOTAL PAYMENT 5000.00

JL 011094

2 2 1 2 4 2 1 3 2
9 6 0 4 3 7 4 2 1 3 2

JAMES H. LAKE 2-74 237 JL 011895 1257
 4813 FIDELL CRESCENTS, N.W.
 WASHINGTON, D.C. 20007 APR 0 1994 3/3 94 \$15 5/8
 PAY TO THE ORDER OF *Henry Espy Tolson* \$1000-
One thousand & 00/100 DOLLARS
FIRST AMERICAN BANK
 FIRST AMERICAN BANK, N.A.
 WASHINGTON, DC 20001
 MEMO _____
James H. Lake

96043742133

FUMB VIRGINIA: 04/04/94
 RICHMOND VA
 0510-01414

000000000000
 03210000

254070158
 WASHINGTON
 FEDERAL
 SAVINGS BANK
 HEARDON, VA.
 254070158

AL 194

DO NOT WRITE ABOVE THIS LINE

ENDORSE HERE
Henry Espy Tolson
 12/02/94

9 6 0 4 3 7 4 2 1 3 4

JL 011896 1262

JAMES H. LAKE 2-74
4813 FOXHALL CRESCENTS, N.W.
WASHINGTON, D.C. 20007

3/24 94 \$15

PAY TO THE ORDER OF Mark Helmer \$ 1000

One thousand & 00/100 DOLLARS

FIRST AMERICAN BANK
FIRST AMERICAN BANK, N.A.
WASHINGTON, DC 20001

MEMO _____ James H. Lake

FED VIRGINIA 03/28/94
RICHMOND VA
6510-0111

000000

01806 03/25/94 30004179
NR '93' 25
054000551

051056505



DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
INLET FOR FEDERAL RESERVE BANK OF RICHMOND

Handwritten signature

ENDORSE HERE

Bozell Worldwide, Inc.

DD 585305

FIRST NATIONAL BANK
DAVID CITY BRANCH

JL 12743

78-1304
1048

DATE

3/14/94

AMOUNT

*****5,000.00

*****5,000.00

F.U.N.B. #001

VOID IF NOT CASHED
WITHIN 90 DAYS

602960925
MAR 25 1994

613-22-SCOUTS OF BOYS OF AMERICA

[Handwritten Signature]
TREASURER

ATM TYSONS

PAY
TO
THE
ORDER
OF

JAMES H LAKE

NEW YORK

00000

VENDOR# 039L150 D

COUNTERSIGNED

9 6 0 4 3 7 4 2 1 3 5

9 6 0 4 3 7 4 2 1 3 6

Endorse Here

x James H. John
Dep. Pres.
at [Redacted]

Do not write, stamp or sign below this line.
RESERVED FOR FINANCIAL INSTITUTION USE

0109 93210

JL 12744

MAR 25 94

FINB VIRGINIA 03/25/94
RICHMOND VA
70510-0154

09766071

1075-0013-0

1075-0013-0

0510-0003-3
0510-0003-3
50296092B 03-26-94

MR '94' 28

FIRST NATIONAL BANK
700 BOONE STREET
CHAMPAIGN, ILL. 61820
1040-0001-8

W 1 7 2 2 3 1 0 1

W 2 0 1 0 2 6 9 7

**Robinson, Lake, Lerer & Montgomery
Sawyer Miller Group**

Strategic Communications
1667 K Street Northwest, Suite 900
Washington, DC 20004-2005
(202) 457-9270

cut
4/26/94

April 26, 1994

**Dr. Richard Douglas
Sun Diamond Growers of California
5568 Gibraltar Drive
Pleasanton, California 94566**

96043742137

March 1994

Invoice #P0390778/P0390779

Washington Representation Services:	\$20,000.00
Expenses (Invoice #P0390779 attached):	<u>\$6,162.66</u>
Total Amount Due:	<u>\$26,162.66</u>

Please Remit Payment to:

Robinson, Lake, Lerer & Montgomery/
Sawyer Miller Group
P.O. Box 198261
Atlanta, GA 30384

JL 11906

96043742138

**Robinson, Lake, Lerer & Montgomery
Sawyer Miller Group**

Strategic Communications
1667 K Street Northwest, Suite 900
Washington, DC 20006-1665
(202) 457-6270

cut
4/26/94

April 26, 1994

Dr. Richard Douglas
Sun Diamond Growers of California
5568 Gibraltar Drive
Pleasanton, California 94566

9
6
0
4
3
7
4
2
1
3
9

March 1994

Invoice #P0390778/P0390779

Washington Representation Services:	\$20,000.00
Expenses (Invoice #P0390779 attached):	<u>\$8,162.66</u>
Total Amount Due:	<u>\$26,162.66</u>

Please Permit Payment to:

Robinson, Lake, Lerer & Montgomery/
Sawyer Miller Group
P.O. Box 198261
Atlanta, GA 30384

JL 11906

April 26, 1994

Dr. Richard Douglas
Sun Diamond Growers of California
5568 Gibraltar Drive
Pleasanton, California 94566

Expenses

Invoice #P0390779

Business Meals:	\$271.90
Car Service: Richard Douglas on 2/4/94:	\$286.00
Courier:	\$42.50
Federal Express:	\$41.00
Information Services:	\$75.00
Joint Center Dinner:	\$5,000.00
Local Transportation:	\$115.49
Photocopying:	\$134.09
Telephone/Telecopy:	<u>\$196.68</u>
Total:	<u>\$6,162.66</u>

96043742140

See - Jim has
seen. Note correction
in organization's name.

96043742141

April 25, 1994

Dr. Richard Douglas
Sun Diamond Growers of California
5568 Gibraltar Drive
Pleasanton, California 94566

March 1994

Invoice #PO/PO

Washington Representation Services:

\$20,000.00

Expenses (Invoice #PO attached):

\$6,162.66

Total Amount Due:

\$26,162.66

OK
Check on TV Services

Please Remit Payment to:

Robinson, Lake, Lerer & Montgomery/
Sawyer Miller Group
P.O. Box 198261
Atlanta, GA 30384

JL 11909

96043742142

April 25, 1994

Dr. Richard Douglas
Sun Diamond Growers of California
5568 Gibraltar Drive
Pleasanton, California 94586

Expenses

Invoice #P0

Business Meals:	\$271.90
Car Service: Richard Douglas on 2/4/94:	\$286.00
Courier:	\$42.50
Federal Express:	\$41.00
Information Services:	\$75.00
Joint Venture Dinner:	\$5,000.00
Local Transportation:	\$115.49
Photocopying:	\$134.09
Telephone/Telecopy:	\$196.68
Total:	<u>\$6,162.66</u>

Center

96043742143

PRODUCTION BILLING WORKSHEET --- JOB STATUS AS OF 10:45:11 - 06/11/94
 System Date: 06/11/94
 Job Number: 94-SUN-07313 ACTIVE 01/31/94 STANDARD COLLATERAL NOT USED
 Description: EXPENSES AND SERVICES
 Estimate Type & Amount: N/A
 Signed On: N/A
 Evaluation Type & Status: N/A
 Invoice Type and Routing: N/A
 Billing Summary: BILLING

Client: 076400-000 SUN DIAMOND GROWERS CO RA
 ATIN RICHARD DOUGLAS
 5568 CINDALTON DRIVE
 PLEASANTON CA 94566
 Secondary Readings: NOT USED
 Description: EXPENSES AND SERVICES
 Account Exec: 106001 DANIEL BORNH MALLEY
 Last Invoice: 90290374 03/16/94 for \$670.47
 Total Amount Percent of Bill/d/Billable Estimate
 Previous: 20,670.47 N/A
 Current: 6,142.16 N/A
 Total: 26,812.63 N/A

Charge	Vendor or Employee	Number & Name of Description	Chg/Inv Date	Invoice Number	Commissioned Amount	Code	Non-Commissioned Amount	Code	Sales/Use Tax Amount	Inventory Amount	Agency Commission	Purchase Order #	Transfer From	Office/Job/Line
03/08/94	0030894	000	70.10	74	.00	.00	78.10	.00	0000000	FT 3400 RM 44.10				
02/13/94	0075894	000	11.49	74	.00	.00	11.49	.00	0000000	FTV				
02/10/94	3168937	000	20.50	72	.00	.00	20.50	.00	0000000	Fed ex				
03/15/94	0031594	000	94.17	71	.00	.00	94.17	.00	0000000	PHONE BY 297.80				
03/24/94	0088324	000	7.00	74	.00	.00	7.00	.00	0000000	IT				
01/01/94	0066741	000	75.00	74	.00	.00	75.00	.00	0000000	INFO SVCS				
04/04/94	0030894	000	11.58	72	.00	.00	11.58	.00	0000000	COURIER				
04/05/94	0030894	000	23.00	74	.00	.00	23.00	.00	0000000	POSTAGE				
04/05/94	0030894	000	9.50	73	.00	.00	9.50	.00	0000000	POSTAGE				
04/05/94	0030894	000	21.50	73	.00	.00	21.50	.00	0000000	POSTAGE				
04/06/94	0030894	000	133.00	77	.00	.00	133.00	.00	0000000	POSTAGE				
04/06/94	0030894	000	2.40	78	.00	.00	2.40	.00	0000000	POSTAGE				
04/07/94	0030894	000	40.11	71	.00	.00	40.11	.00	0000000	POSTAGE				
04/07/94	0030894	000	48.00	71	.00	.00	48.00	.00	0000000	POSTAGE				
04/06/94	0030894	000	25.00	74	.00	.00	25.00	.00	0000000	POSTAGE				
19 BILLABLE STANDARD CHARGES FOR:			6,142.16	TOTALS:	00	00	6,142.16	00	5,740.89	00	00	00	00	00
19 TOTAL ACTIVE BILLABLE RECORDS FOR:			6,142.16	TOTALS:	00	00	6,142.16	00	5,740.89	00	00	00	00	00
2 INVOICES PREVIOUSLY PRODUCED FOR:			20,670.47	TOTALS:	00	00	20,670.47	(See N-Code)	(Not Available)	00	00	00	00	00

20.50 From Westport 7/11/94
 6142.16
 20.50

6142.16
 20.50
 6162.66

96043742144

TL 11914

CURRENT BILLABLE EXPENSE TOTALS BY BILLING CODE ... ALL AMOUNTS ARE NET

Amount	Code	Description	Amount	Code	Description	Amount	Code	Description
45.00	24	WPCS/SUBSCRIPTIONS	29	69	POSTAGE	196.28	71	TELEPHONE
63.00	73	MESSENGER SERVICE	5,473.39	74	TRAVEL & SUBSISTENCE - AGENCY	133.00	77	COPY CHARGES
2.40	70	FAX CHARGES						

BWCX SLIP WHEN ALL AVAILABLE CHARGES ARE BILLED

Code	Item	Accounts Receivable	Inventory	Outstanding Purchase Orders and Charges and Inter-Office Jobs
01	Completed	.00	.00	
02	Non-Completed	95.50	95.50	
35	Travel Expenses	5,473.39	5,473.39	
	TOTAL INVENTORY		5,760.09	
30	PNC	.00		
42	Inside Art	.00		
36	Other Ink	.00		
44	Postage	.29		
45	Telephone	196.68		
46	Photocopy/Equip Rental	133.00		
47	Messenger Service	42.50		
40	Interest	.00		
90	DDJ Paid Sales Tax	.00	.00	
91	State Use Tax	.00	.00	
	BWCX SLIP TOTALS	6,162.16	5,760.09	

FINAL BILLING DUE: 03/02/94 JOB CLOSING DUE: 05/01/94

96043742145

Bozell Worldwide, Inc.

1447 K STREET
WASHINGTON

DC 20004-1405

PLEASE REMIT TO:
BILLAM/BMS
P.O. BOX 198261
ATLANTA

GA 30384-8261

Invoice

SUN DIAMOND GROWERS OF CA
ATTN RICHARD DOUBLAS
5548 GIBRALTAR DRIVE

PLEASANTON CA 94566

JOB DESCRIPTION EXPENSES AND SERVICES

DATE 04/26/94

INVOICE NO. P039077E

CLIENT NO. 076400-00X

JOB NO. 94-SUN-07313

COLLATERAL

PROGRESSIVE BILLING

EXPLANATION OF CHARGES	AMOUNT
***** NET CHARGES *****	
FEES	
MARCH 1994 FEE	20,000.00
	20,000.00
BILLED PREVIOUSLY: 20,678.47	
CURRENT BILLING: 20,000.00	
TOTAL BILLED TO DATE: 40,678.47	
AMOUNT DUE WITHIN 10 DAYS FROM DATE OF RECEIPT	
	20,000.00

ORIGINAL

.00

PROGRESSIVE

20,000.00

JOB NUMBER
94-SUN-07313

COLLATERAL

JL 11944

20,000.00

.00

PB1000 - 10147110 - 04/26/94

96043742147

Bozell Worldwide, Inc.

1447 K STREET
WASHINGTON

DC 20004-1605

PLEASE REMIT TO:
RLLSM/BMO
P.O. BOX 198261
ATLANTA

GA 30384-8261

Invoice

SUN DIAMOND BROWERS OF CA
ATTN RICHARD DOUBLAS
5548 GIBRALTAR DRIVE

PLEASANTON CA 94566

JOB DESCRIPTION EXPENSED AND SERVICES

DATE 04/26/94

INVOICE NO. P0390776

CLIENT NO. 076400-001

JOB NO. 94-SUN-0731

COLLATERAL

PROGRESSIVE BILLING

EXPLANATION OF CHARGES	AMOUNT
***** NET CHARGES *****	
FEES	
MARCH 1994 FEE	20,000.00
	20,000.00
BILLED PREVIOUSLY: 20,678.47	
CURRENT BILLING: 20,000.00	
TOTAL BILLED TO DATE: 40,678.47	
AMOUNT DUE WITHIN 10 DAYS FROM DATE OF RECEIPT	
	20,000.00

FILE

CODE	T/EN	A/C/REC.	INVENTORY
1	Commissioned		
2	Non-Commissioned		
35	Travel Expenses		
- TOTAL INVENTORY ->			.00
30	PHC		
42	Inside Art		
46	Other Time	20,000.00	
44	Postage		
45	Telephone		
46	Photocopying Equip./Rental		
47	Messenger Service		
48	Interest/Cash Discount		
90	Sales Tax on Time		
91	Use Tax		
TOTALS		20,000.00	.00

CIRCLE ONE
 Print
 Collateral
 Broadcast
 Research

Book Debt
 Book Credit

PROGRESSIVE

SPECIAL INFORMATION:
 JOB NUMBER 94-SUN-07313

COLLATERAL

JL 11945

PB1000 - 10147110 - 04/26/94

9-6043742-1-4-8

Bozell Worldwide, Inc.

1667 K STREET
WASHINGTON

DC 20004-1605

PLEASE REMIT TO:
RLLAH/BMG
P.O. BOX 198261
ATLANTA

GA 30384-826

Invoice

SUN DIAMOND GROWERS OF CA
ATTN RICHARD DOUGLAS
5568 GIBRALTAR DRIVE

PLEASANTON CA 94566

DATE 04/26/94

INVOICE NO. P039077

CLIENT NO. 076400-00

JOB NO. 94-SUN-0731

JOB DESCRIPTION EXPENSES AND SERVICES

COLLATERAL

PROGRESSIVE BILLING

EXPLANATION OF CHARGES	AMOUNT
***** NET CHARGES *****	
FEE MARCH 1994 FEE	20,000.00 20,000.00
BILLED PREVIOUSLY: 20,678.47 CURRENT BILLING: 20,000.00 TOTAL BILLED TO DATE: 40,678.47	
AMOUNT DUE WITHIN 10 DAYS FROM DATE OF RECEIPT	20,000.00

DUPLICATE

.00

PROGRESSIVE

20,000.00

JOB NUMBER
74-SUN-07313

COLLATERAL

JL 11946

20,000.00

.00

PS1000 - 10147110 - 04/26/94

96043742149

Bozell Worldwide, Inc.

1447 K STREET
WASHINGTON
Invoice

DC 20004-1605

PLEASE REMIT TO:
RELLAM/SHB
P.O. BOX 198261
ATLANTA

GA 30384-826

SUN DIAMOND GROWERS OF CA
ATTN RICHARD DOUGLAS
3348 GIBRALTAR DRIVE

PAGE 01 OF 0

PLEASANTON CA 94544

DATE 04/26/94

INVOICE NO. P039077

CLIENT NO. 076400-0C

JOB DESCRIPTION EXPENSES AND SERVICES

JOB NO. 94-SUN-0731

COLLATERAL

PROGRESSIVE BILLING

EXPLANATION OF CHARGES	AMOUNT
***** NET CHARGES *****	
DUES/SUBSCRIPTIONS CONGRESSIONAL QUARTERLY CONGRESSIONAL MONITOR 1YR	75.00 75.00
POSTAGE MARCH 1994 POSTAGE	0.29 .29
TELEPHONE SPRINT 1-28 FEB K&N 3/16/94 C&P ALLOCATIONS FEB 94 "K" ST C&P ALLOCATIONS JAN 94 "K" ST	94.17 40.11 60.00 194.28
MESSENGER SERVICE FEDERAL EXPRESS FED EXP 516853745 2/18/94 WASHINGTON EXP 844331 10/15/93 WASH EXP 1-15-94 872341 WASH EXP 16-31 JAN 871326	20.50 11.50 9.50 21.50 63.00
TRAVEL & SUBSISTENCE - AGENCY ADMIRAL LIMOUSINE SERVICE R DOUGLAS 2/2 29243 DANIEL D HALEY JULIE KING JAMES H LAKE JOINT VENTURE DINNER PETTY CASH PETTY CASH TAXI LFRANKEL RED TOP CAB CO RED TOP 75094 2/15/94	286.00 343.90 25.00 5,000.00 7.00 11.49 5,673.39
COPY CHARGES MARCH 1994 PHOTOCOPY	133.80 133.80
AMOUNT DUE WITHIN 10 DAYS FROM DATE OF RECEIPT	
(CONTINUE)	

ORIGINAL

96043742151

Bozell Worldwide, Inc.

1447 K STREET
WASHINGTON

DC 20004-1405

PLEASE PRINT TO:
RLL&H/SHS
P.O. BOX 198261
ATLANTA

invoice

GA 30384-826

SUN DIAMOND BROWERS OF CA
ATTN RICHARD DOUGLAS
5568 GIBRALTAR DRIVE.

DATE

PAGE 01 OF 0

04/26/9

PLEASANTON CA 94566

INVOICE NO. P039077

JOB DESCRIPTION EXPENSES AND SERVICES

CLIENT NO. 076400-00

JOB NO. 94-SUN-0731

COLLATERAL

PROGRESSIVE BILLING

EXPLANATION OF CHARGES	AMOUNT
***** NET CHARGES *****	
DUES/SUBSCRIPTIONS CONGRESSIONAL QUARTERLY CONGRESSIONAL MONITOR 1YR	75.00
POSTAGE MARCH 1994 POSTAGE	0.29
TELEPHONE SPRINT 1-28 FEB K&N 3/16/94 C&P ALLOCATIONS FEB 94 "K" ST C&P ALLOCATIONS JAN 94 "K" ST	94.17 40.11 60.00
MESSENGER SERVICE FEDERAL EXPRESS FED EXP 516853745 2/18/94 WASHINGTON EXP 864331 10/15/93 WASH EXP 1-15-94 872341 WASH EXP 16-31 JAN 871326	20.50 11.50 9.50 21.50
TRAVEL & SUBSISTENCE - AGENCY ADMIRAL L'HOUSINE SERVICE R DOUGLAS 2/2 29243 DANIEL D HALEY JULIE KING JAMES H LAKE JOINT VENTURE DINNER PETTY CASH PETTY CASH TAXI LFRANKEL RED TOP CAB CO RED TOP 75094 2/15/94	284.00 343.90 25.00 5,000.00 7.00 11.49
COPY CHARGES MARCH 1994 PHOTOCOPY	133.80
AMOUNT DUE WITHIN 10 DAYS FROM DATE OF RECEIPT	
(CONTINUE)	

DUPLICATE

96043742152

Bozell Worldwide, Inc.

1457 K STREET
WASHINGTON
invoice

DC 20006-1405

PLEASE REMIT TO:
RLL/LH/SMB
P.O. BOX 198261
ATLANTA

GA 30384-826

SUN DIAMOND GROWERS OF CA
ATTN RICHARD DOUGLAS
5568 GIBRALTAR DRIVE

PAGE 01 OF 01

PLEASANTON CA 94366

DATE 04/26/94

INVOICE NO. 1039077

CLIENT NO. 076400-00

JOB DESCRIPTION EXPENSES AND SERVICES

JOB NO. 94-SUN-0731

COLLATERAL

PROGRESSIVE BILLING

EXPLANATION OF CHARGES	AMOUNT	AMOUNT
***** NET CHARGES *****		
DUCS/SUBSCRIPTIONS CONGRESSIONAL QUARTERLY CONGRESSIONAL MONITOR 1YR	75.00	75.00
POSTAGE MARCH 1994 POSTAGE	0.29	.29
TELEPHONE SPRINT 1-28 FEB K&N 3/16/94 C&P ALLOCATIONS FEB 94 "K" ST C&P ALLOCATIONS JAN 94 "K" ST	94.17 40.11 60.00	194.28
MESSENGER SERVICE FEDERAL EXPRESS FED EXP 516053745 2/18/94 WASHINGTON EXP 864331 10/15/93 WASH EXP 1-15-94 872341 WASH EXP 16-31 JAN 871326	20.50 11.50 9.50 21.50	63.00
TRAVEL & SUBSISTENCE - AGENCY ADMIRAL LIMOUSINE SERVICE R DOUGLAS 2/2 29243 DANIEL D HALEY JULIE KING JAMES H LAKE JOINT VENTURE DINNER PETTY CASH PETTY CASH TAXI LFRANKEL RED TOP CAB CO RED TOP 750/4 2/15/94	284.00 343.90 25.00 5,000.00 7.00 11.49	5,673.39
COPY CHARGES MARCH 1994 PHOTOCOPIY	133.80	133.80
AMOUNT DUE WITHIN 10 DAYS FROM DATE OF RECEIPT		(CONTINUE)

FILE

CODE	ITEM	A/C REC.	INVENTORY
1	Commissioned		
2	Non-Commissioned		
35	Travel Expenses		
- TOTAL INVENTORY ->			
30	PHC		
42	Inside Art		
36	Other Time		
44	Postage		
45	Telephone		
46	Photocopying Equip./Rental		
47	Messenger Service		
48	Interest/Cash Discount		
90	Sales Tax on Time		
91	Use Tax		
TOTALS			

CIRCLE ONE
9 - Print
10 - Collateral
11 - Broadcast
12 - Research

Book Debit
 Book Credit

SPECIAL INFORMATION:

JL 11950

96043742153

Bozell Worldwide, Inc.

1657 K STREET
WASHINGTON DC 20006-1405

PLEASE REMIT TO:
RLLM/SMD
P.O. BOX 198261
ATLANTA GA 30384-9261

Invoice

SUN DIAMOND GROWERS OF CA
ATTN RICHARD DOUGLAS
5568 GIBRALTAR DRIVE

PAGE 01 OF 02

PLEASANTON CA 94544

DATE 04/26/94

INVOICE NO. P0390775

JOB DESCRIPTION EXPENSES AND SERVICES

CLIENT NO. 076400-00C

JOB NO. 94-SUN-07317

COLLATERAL

PROGRESSIVE BILLING

EXPLANATION OF CHARGES	AMOUNT	AMOUNT
***** NET CHARGES *****		
DUES/SUBSCRIPTIONS CONGRESSIONAL QUARTERLY CONGRESSIONAL MONITOR 1YR	75.00	75.00
POSTAGE MARCH 1994 POSTAGE	0.29	.29
TELEPHONE SPRINT 1-28 FEB K&N 3/16/94 C&P ALLOCATIONS FEB 94 "K" ST C&P ALLOCATIONS JAN 94 "K" ST	94.17 40.11 60.00	194.28
MESSENGER SERVICE FEDERAL EXPRESS FED EXP 516053745 2/18/94 WASHINGTON EXP 864331 10/15/93 WASH EXP 1-15-94 872341 WASH EXP 16-31 JAN 871326	20.50 11.50 9.50 21.50	63.00
TRAVEL & SUBSISTENCE - AGENCY ADMIRAL LIMOUSINE SERVICE R DOUGLAS 2/2 29243 DANIEL D HALEY JULIE KING JAMES H LAKE JOINT VENTURE DINNER	286.00 343.70 25.00 5,000.00	
PETTY CASH PETTY CASH TAXI LFRANKEL RED TOP CAB CO RED TOP 75094 2/15/94	7.00 11.49	5,673.39
COPY CHARGES MARCH 1994 PHOTOCOPY	133.80	133.80
AMOUNT DUE WITHIN 10 DAYS FROM DATE OF RECEIPT		(CONTINUE)

96043742154

CODE	ITEM	A/C REC.	INVENTORY
1	Commissioned		
2	Non-Commissioned		
35	Travel Expenses		
TOTAL INVENTORY →			
30	PHC		
42	Inside A/T		
36	Other Time		
44	Postage		
45	Telephone		
46	Photocopying Equip./Rental		
47	Messenger Service		
48	Interest/Cash Discount		
90	Sales Tax on Time		
91	Use Tax		
TOTALS			

CIRCLE ONE
 9 - Print
 10 - Collateral
 11 - Broadcast
 12 - Research

Book Cost
 Book Credit

SPECIAL INFORMATION

Bozell Worldwide, Inc.

1447 K STREET
WASHINGTON

DC 20004-1605

invoice

PLEASE REMIT TO:
RLLM/ENG
P.O. BOX 198261
ATLANTA

BA 30384-8261

SUN DIAMOND GROWERS OF CA
ATTN RICHARD DOUBLAS
3348 GIBRALTAR DRIVE

PAGE 02 OF 02

PLEASANTON CA 94544

DATE 04/26/94

INVOICE NO. P0390775

JOB DESCRIPTION EXPENSES AND SERVICES

CLIENT NO. 076400-000

JOB NO. 94-SUN-07313

COLLATERAL

PROGRESSIVE BILLING

EXPLANATION OF CHARGES	AMOUNT
FAX CHARGES MARCH 1994 FAX CHARGES	2.40
	2.40
<p>BILLED PREVIOUSLY: 40,678.47 CURRENT BILLING: 6,142.16 TOTAL BILLED TO DATE: 46,820.63</p>	
AMOUNT DUE WITHIN 10 DAYS FROM DATE OF RECEIPT	6,142.16

ORIGINAL

95.50
5,673.39

95.50
5,673.39
5,768.89

PROGRESSIVE

.29
196.68
133.80
42.50

JOB NUMBER
94-SUN-07313

COLLATERAL

JL 11952

6,142.16

5,768.89

PR1000 - 10149355 - 04/26/94

9-6-04-3742-55

Bozell Worldwide, Inc.

1467 K STREET
WASHINGTON
Invoice

DC 20006-1605

PLEASE REMIT TO:
RLLM/BMG
P.O. BOX 198261
ATLANTA

GA 30394-826

SUN DIAMOND GROWERS OF CA
ATTN RICHARD DOUGLAS
5568 GIBRALTAR DRIVE

PAGE 02 OF 6

PLEASANTON CA 94566

DATE 04/26/94

INVOICE NO. P039075

CLIENT NO. 076400-00

JOB DESCRIPTION EXPENSES AND SERVICES

JOB NO. 94-SUN-0731

COLLATERAL

PROGRESSIVE BILLING

EXPLANATION OF CHARGES	AMOUNT
FAX CHARGES MARCH 1994 FAX CHARGES	2.40
	2.40
<p>BILLED PREVIOUSLY: 40,670.47 CURRENT BILLING: 6,142.16 TOTAL BILLED TO DATE: 46,812.63</p>	
<p>AMOUNT DUE WITHIN 10 DAYS FROM DATE OF RECEIPT 6,142.16</p>	

FILE

CODE	ITEM	A/C REC.	INVENTORY
1	Commissioned		
2	Non-Commissioned	95.50	95.50
35	Travel Expenses	5,673.39	5,673.39
TOTAL INVENTORY			5,768.89
30	PHC		
42	Inside Art		
38	Other Time		
44	Postage	.29	
45	Telephone	196.68	
46	Photocopying Equip./Rental	133.80	
47	Messenger Service	42.50	
48	Interest/Cash Discount		
90	Sales Tax on Time		
91	Use Tax		

CIRCLE ONE
 9 - Print
 10 - Collateral
 11 - Broadcast
 12 - Research

Book Debit
 Book Credit

PROGRESSIVE

SPECIAL INFORMATION:
 JOB NUMBER:
 94-SUN-07313

COLLATERAL

JL 11954

96043742157

Bozell Worldwide, Inc.

1467 K STREET
WASHINGTON

DC 20005-1205

PLEASE REMIT TO:
RLM/EMG
P.O. BOX 198261
ATLANTA

GA 30384-8261

invoice

PAGE 02 OF 02

GUN DIAMOND GROWERS OF CA
ATTN RICHARD DOUGLAS
5368 GIBRALTAR DRIVE

DATE 04/26/94

PLEASANTON CA 94566

INVOICE NO. P0390779

JOB DESCRIPTION: EXPENSES AND SERVICES

CLIENT NO. 076400-000

JOB NO. 94-SUN-07313

COLLATERAL

PROGRESSIVE BILLING

EXPLANATION OF CHARGES	AMOUNT	BALANCE
FAX CHARGES MARCH 1994 FAX CHARGES	2.40	2.40
<p>BILLED PREVIOUSLY: 40,678.47 CURRENT BILLING: 6,142.16 TOTAL BILLED TO DATE: 46,820.63</p>		
<p>AMOUNT DUE WITHIN 30 DAYS FROM DATE OF RECEIPT</p>		6,142.16

CODE	ITEM	A/C REC.	INVENTORY
1	Commissioned		
2	Non-Commissioned	95.50	95.50
35	Travel Expenses	5,673.39	5,673.39
TOTAL INVENTORY			5,768.89
30	PHC		
42	Inside Art		
86	Other Time		
44	Postage	.29	
45	Telephone	196.68	
46	Photocopying Equip./Rental	133.80	
47	Messenger Service	42.50	
48	Interest/Cash Discount		
90	Sales Tax on Time		
91	Use Tax		
TOTALS		6,142.16	5,768.89

CIRCLE ONE
9 - Print
10 - Collateral
11 - Broadcast
12 - Research

Book Debit
 Book Credit

PROGRESSIVE

SPECIAL INFORMATION

JOB NUMBER
94-SUN-07313

COLLATERAL

JL 11955

96043742158

Bozell Worldwide, Inc.

1447 K STREET
WASHINGTON

DC 20004-1405

PLEASE REMIT TO:
FLL&H/BMG
P.O. BOX 198261
ATLANTA

GA 30384-8261

Invoice

SUN DIAMOND GROWERS OF CA
ATTN RICHARD DOUGLAS
5560 GIBRALTAR DRIVE

PLEASANTON CA 94566

JOB DESCRIPTION EXPENSES AND SERVICES

DATE 04/26/94
INVOICE NO. P039078
CLIENT NO. 076400-00
JOB NO. 93-SUN-0709

COLLATERAL

PROGRESSIVE BILLING

EXPLANATION OF CHARGE	AMOUNT
***** NET CHARGES *****	
MESSENGER SERVICE WASHINGTON EXP 1/94 "K" ST	20.50
	20.50
<p>BILLED PREVIOUSLY: 129,204.47 CURRENT BILLING: 20.50 TOTAL BILLED TO DATE: 129,224.97</p>	
AMOUNT DUE WITHIN 10 DAYS FROM DATE OF RECEIPT	20.50

ORIGINAL

.00 PROGRESSIVE

JOB NUMBER 93-SUN-07091 COLLATERAL

20.50

JL 11956

20.50

.00 PB1000 - 10:50:38 - 04/26/94

96043742159

Bozell Worldwide, Inc.

1647 K STREET
WASHINGTON

DC 20004-1405

PLEASE REMIT TO:
RLLAH/SHG
P.O. BOX 198261
ATLANTA

GA 30384-R261

Invoice

SUN DIAMOND PROMERS OF CA
ATTN RICHARD DOUGLAS
5560 GIBRALTAR DRIVE

PLEASANTON CA 94344

JOB DESCRIPTION EXPENSES AND SERVICES

DATE 04/26/94

INVOICE NO. F0390780

CLIENT NO. 076400-000

JOB NO. 93-SUN-07091

COLLATERAL

PROGRESSIVE BILLING

EXPLANATION OF CHARGES	AMOUNT
***** NET CHARGES *****	
MESSENGER SERVICE WASHINGTON EXP 1/94 "K" ST	20.50
	20.50
<p>BILLED PREVIOUSLY: 129,204.47</p> <p>CURRENT BILLING: 20.50</p> <hr/> <p>TOTAL BILLED TO DATE: 129,224.97</p>	
AMOUNT DUE WITHIN 10 DAYS FROM DATE OF RECEIPT	20.50

DUPLICATE

.00

PROGRESSIVE

JOB NUMBER
93-SUN-07091

COLLATERAL

20.50

JL 11957

20.50

.00

PB1000 - 10150338 - 04/26/94

96043742160

Bozell Worldwide, Inc.

1667 K STREET
WASHINGTON

DC 20004-1406

Invoice

PLEASE REMIT TO:
BLL&H/SHG
P.O. BOX 198261
ATLANTA

GA 30384-826

SUN DIAMOND GROWERS OF CA
ATTN RICHARD DOUGLAS
5560 GIBRALTAR DRIVE

PLEASANTON CA 94566

JOB DESCRIPTION EXPENSES AND SERVICES

DATE 04/26/94

INVOICE NO. P039078

CLIENT NO. 076400-00

JOB NO. 93-SUN-0709

COLLATERAL

PROGRESSIVE BILLING

EXPLANATION OF CHARGES	AMOUNT
***** NET CHARGES *****	
MESSENGER SERVICE WASHINGTON EXP 1/94 "K" ST	20.50
	20.50
BILLED PREVIOUSLY: 129,204.47 CURRENT BILLING: 20.50 TOTAL BILLED TO DATE: 129,224.97	
AMOUNT DUE WITHIN 10 DAYS FROM DATE OF RECEIPT	
	20.50

FILE

CODE	ITEM	A/O REC.	INVENTORY
1	Commissioned		
2	Non-Commissioned		
35	Travel Expenses		
TOTAL INVENTORY →			.00
30	PHC		
42	Inside Art		
46	Other Time		
44	Postage		
45	Telephone		
46	Photocopying Equip./Rental		
47	Messenger Service	20.50	
48	Interest/Cash Discount		
90	Sales Tax on Time		
91	Use Tax		
TOTALS		20.50	.00

CIRCLE ONE
9 - Print
10 - Collateral
11 - Broadcast
12 - Research

Book Debit
 Book Credit

PROGRESSIVE

SPECIAL INFORMATION:

JOB NUMBER
93-SUN-07091

COLLATERAL

JL 11958

PD1000 10150138 - 04/26/94

96043742161

Bozell Worldwide, Inc.

1667 K STREET
WASHINGTON DC 20004-1606

PLEASE REMIT TO:
BLL&M/SMB
P.O. BOX 178261
ATLANTA GA 30384-R26

Invoice

SUN DIAMOND GROWERS OF CA
ATTN RICHARD DOUGLAS
5540 GIBRALTAR DRIVE

MILEASANTON CA 94566

DATE 04/26/94

INVOICE NO. 7039078

CLIENT NO. 076400-00

JOB NO. 93-SUN-0709

JOB DESCRIPTION EXPENSES AND SERVICES

COLLATERAL

PROGRESSIVE BILLING

EXPLANATION OF CHARGES	AMOUNT
***** NET CHARGES *****	
MESSENGER SERVICE WASHINGTON EXP 1/94 "K" ST	20.50
	20.50
BILLED PREVIOUSLY: 129,204.47 CURRENT BILLING: 20.50 TOTAL BILLED TO DATE: 129,224.97	
AMOUNT DUE WITHIN 10 DAYS FROM DATE OF RECEIPT	
	20.50

96043742162

CODE	ITEM	A/C REC.	INVENTORY
1	Commissioned		
2	Non-Commissioned		
35	Travel Expenses		
TOTAL INVENTORY →			.00
30	PHC		
42	Inside Art		
36	Other Time		
44	Postage		
45	Telephone		
46	Photocopying Equip./Rental		
47	Messenger Service	20.50	
48	Interest/Cash Discount		
90	Sales Tax on Time		
91	Use Tax		
TOTALS		20.50	.00

CIRCLE ONE
9 - Print
10 - Collateral
11 - Broadcast
12 - Research

Book Debt
 Book Credit

PROGRESSIVE

SPECIAL INFORMATION
JOB NUMBER
93-SUN-07091

COLLATERAL

JL 11959

SELECTED LIST OF RECEIPTS & EXPENDITURES (75-95)
USER SELECTED ITEMIZED TRANSACTIONS

CONTRIBUTOR/ENDORSEMENT/TRANSFERRER REPORTING ENTITY MICROFILM LOCATION	STREET ADDRESS TRANSACTION TYPE	CITY	STATE ZIP REPORT TYPE	TYPE OF FILER ELECTION DATE	AMOUNT
LAKE, JAMES H REFUGIARIAN NATIONAL COMMITTEE - RNC 95FEC/95/04/037 #0260688 CONTRIBUTION		GREENVILLE RETIRED	MS 38702 SEPTEMBER MONTHLY 21AUG95	PRIMARY	250
LAKE, JAMES H DOLE FOR PRESIDENT INC 95FEC/95/04/037 #0260688 CONTRIBUTION		TOMS BROOK ROBINSON LAKE SAWYER MILLER	VA 22660 APRIL QUARTERLY 2MAR95	PRIMARY	1,000
LAKE, JAMES H DOLE FOR PRESIDENT INC 95FEC/95/04/037 #0269383 CONTRIBUTION		TOMS BROOK ROBINSON LAKE SAWYER	VA 22660 OCTOBER QUARTERLY 30SEP95	PRIMARY	1,000
LAKE, JAMES H DOLE FOR PRESIDENT INC 95FEC/95/04/037 #0296891 CONTRIBUTION		TOMS BROOK	VA 22660 APRIL QUARTERLY 2MAR95	PRIMARY	1,000- AMENDMENT
LAKE, JAMES H PETE WILSON FOR PRESIDENT COMMITTEE INC 95FEC/95/02/3093 #0305270 CONTRIBUTION		WASHINGTON ROBINSON LAKE SAWYER ET AL	DC 20007 JULY QUARTERLY 13APR95	PRIMARY	1,000- AMENDMENT

SELECTED LIST OF RECEIPTS & EXPENDITURES (93-94)
USER SELECTED ITEMIZED TRANSACTIONS

CONTRIBUTOR NAME AND TRANSFEROR	STREET ADDRESS	CITY	STATE ZIP	REPORT TYPE	TYPE OF FILER	ELECTION DATE	AMOUNT
MICROFILM LOCATION	TRANSACTION TYPE						
LAKE, JAMES TENNESSEANS FOR THOMPSON 94SEN/003/1744 #0302756 CONTRIBUTION		WASHINGTON	DC 20007 YEAR-END		PRIMARY	17SEP93	1,000
LAKE, JAMES FRIENDS OF BILL BROOK FOR U S SENATE INC 94SEN/003/2557 #0481950 CONTRIBUTION		WASHINGTON	DC 20007 APRIL QUARTERLY		PRIMARY	1FEB94	1,000
LAKE, JAMES FRIENDS OF BILL BROOK FOR U S SENATE INC 94SEN/019/1751 #0718710 CONTRIBUTION		WASHINGTON	DC 20007 PRE-PRIMARY		GENERAL	25JUL94	1,000
LAKE, JAMES TENNESSEANS FOR THOMPSON 94SEN/023/3567 #0785845 CONTRIBUTION		TOMS BROOK CONSULTANT	VA 22660 OCTOBER QUARTERLY		GENERAL	26JUL94	1,000
LAKE, JAMES H DEMOCRATS '94 COMMITTEE 94SEN/002/0328 #0352200 CONTRIBUTION REF TO INDIVIDUAL		WASHINGTON	DC 20007 YEAR-END		PRIMARY	15NOV93	350--

SELECTED LIST OF RECEIPTS & EXPENDITURES (91-92)
USER SELECTED ITEMIZED TRANSACTIONS

CONTRIBUTOR NAME OR TRANSFEROR ORGANIZATION ENTITY MICROFILM LOCATION	STREET ADDRESS TRANSACTION TYPE	CITY	STATE ZIP REPORT TYPE	TYPE OF FILER ELECTION DATE	AMOUNT
LAKE, JAMES H DALE FOR SENATE '92 91HSE/438/2005 #0005900	CONTRIBUTION	WASHINGTON	DC 20006 MID-YEAR REPORT	GENERAL 9MAY91	1,000
LAKE, JAMES H ARDETT FOR CONGRESS 91HSE/431/3174 #0094300	CONTRIBUTION	WASHINGTON	DC 20006 MID-YEAR REPORT	PRIMARY 25JUN91	200
LAKE, JAMES H JOHN D DINGELL FOR CONGRESS COMMITTEE 91HSE/438/2003 #0098627	CONTRIBUTION	WASHINGTON	DC 20007 MID-YEAR REPORT	PRIMARY 24APR91	1,000
LAKE, JAMES H U S SENATOR JOHN SEYMOUR COMMITTEE 91SEN/108/2075 #0117585	CONTRIBUTION	WASHINGTON	DC 20007 MID-YEAR REPORT	PRIMARY 26APR91	1,000
LAKE, JAMES H BERMAN FOR CONGRESS 91HSE/430/0607 #0124379	CONTRIBUTION	WASHINGTON	DC 20006 MID-YEAR REPORT	PRIMARY 29APR91	500
LAKE, JAMES H BUSH R QUAYLE '92 PRIMARY COMMITTEE INC 92FEC/739/0370 #0320588	CONTRIBUTION	WASHINGTON	DC 20007 FEBRUARY MONTHLY	PRIMARY 24JAN92	1,000
LAKE, JAMES H ARNETT FOR CONGRESS 92HSE/453/1683 #0589241	CONTRIBUTION	WASHINGTON	DC 20007 JULY QUARTERLY	PRIMARY 27MAY92	500
LAKE, JAMES H COMMITTEE TO RE-ELECT CONGRESSMAN LAGOMARSINO 92HSE/434/3254 #0638521	CONTRIBUTION	WASHINGTON	VA 22460 JULY QUARTERLY	PRIMARY 21MAY92	1,000
LAKE, MICHAEL L RINSELD CAMPAIGN 92HSE/442/5040 #0316495	CONTRIBUTION	SEATTLE	WA 98117 YEAR-END	PRIMARY 17SEP91	500
LAKE, MICHAEL L UNSOELD CAMPAIGN 92HSE/454/3519 #0698314	CONTRIBUTION	SEATTLE	WA 98117 JULY QUARTERLY	PRIMARY 16APR92	250
LAKE, MICHAEL L UNSOELD CAMPAIGN 92HSE/484/2229 #1073740	CONTRIBUTION	SEATTLE	WA 98117 POST-GENERAL	GENERAL 23OCT92	250

NOTICE: THE DOCUMENTS LISTED ABOVE ARE AVAILABLE FOR PUBLIC INSPECTION AND COPYING AT THE FEC. ANY INFORMATION COMPILED FROM SUCH REPORTS OR STATEMENTS MAY NOT BE SOLD OR USED BY ANY PERSON FOR THE PURPOSE OF SOLICITING CONTRIBUTIONS OR FOR COMMERCIAL PURPOSES OTHER THAN USING THE NAME AND ADDRESS OF ANY POLITICAL COMMITTEE TO SOLICIT CONTRIBUTIONS FROM SUCH COMMITTEE. 2 U.S.C. § 3031(a)(4).

9 6 0 4 3 7 4 2 1 6 6
 SELECTED LIST OF RECEIPTS & EXPENDITURES (89-90)
 USER SELECTED (ITEMIZED TRANSACTIONS)

CONTRIBUTOR (INDICATE TRANSFERRED CONTRIBUTOR) CITY	STREET ADDRESS	CITY	STATE ZIP	REPORT TYPE	TYPE OF FILER	ELECTION	AMOUNT
ORGANIZATION LOCATION	TRANSACTION TYPE				DATE		
LAKE, JAMES H CAMPAIGN AMERICA 89HSE/517/2504 #191190	CONTRIBUTION	WASHINGTON	DC 20006	DECEMBER MONTHLY	17NOV89	PRIMARY	1,000
LAKE, JAMES H DECONCINI '94 COMMITTEE 90HSE/111/4291 #291402	CONTRIBUTION	WASHINGTON	DC 20007	YEAR-END	20CT89	PRIMARY	1,000
LAKE, JAMES H JOHN D DIRSHELL FOR CONGRESS COMMITTEE 90HSE/223/4355 #293586	CONTRIBUTION	WASHINGTON	DC 20006	YEAR-END	20JUL90	PRIMARY	1,000
LAKE, JAMES H STEVE WATSON FOR CONGRESS 90HSE/324/4248 #393591	CONTRIBUTION	FERNSBROOK	VA 22660	APRIL QUARTERLY	8MAR90	PRIMARY	1,000
LAKE, JAMES H LEWIS FOR CONGRESS COMMITTEE 90HSE/395/0217 #407639	CONTRIBUTION	WASHINGTON	DC 20006	PRE-PRIMARY	8MAY90	PRIMARY	1,000
LAKE, JAMES H LYNN MARTIN FOR SENATE 90SEN/119/2374 #693001	CONTRIBUTION	WASHINGTON	DC 20007	OCTOBER QUARTERLY	24JUL90	GENERAL	750
LAKE, JAMES H RE-ELECT SCHAUGHTER FOR CONGRESS COMMITTEE 90HSE/448/3337 #754144	CONTRIBUTION	TOMS BRADOK LAKE, LERER, ROBINSON	VA 22660	POST-GENERAL	6NOV90	GENERAL	250
LAKE, JAMES H DOLE FOR SENATE '92 91SEN/101/1036 #754915	CONTRIBUTION	WASHINGTON	DC 20007	YEAR-END	14AUG90	PRIMARY	1,000
LAKE, JAMES H MR TOM ANDERSON FOR CONGRESS 89HSE/385/0781 #167804	CONTRIBUTION	WASHINGTON	DC 20007	PRE-RUN-OFF	35SEP89	SPECIAL	1,000
LAKE, JAMES H MR TOM ANDERSON FOR CONGRESS 89HSE/335/5072 #189051	CONTRIBUTION	WASHINGTON	DC 20007	POST-RUN-OFF	11OCT89	RUNOFF	1,000
LAKE, MICHAEL H MD GEORGIA MEDICAL POLITICAL ACTION COMMITTEE 90FEC/625/4501 #335446	CONTRIBUTION	COLUMBUS MEDICAL DOCTOR	GA 31904	APRIL QUARTERLY	4JAN90	PRIMARY	250

SELECTED LIST OF RECEIPTS & EXPENDITURES (87-88)
 USER SELECTED ITEMIZED TRANSACTIONS

CONTRIBUTOR/LENDER/TRANSFERRER REPORTING ENTITY MICROFILM LOCATION	STREET ADDRESS TRANSACTION TYPE	CITY	STATE ZIP REPORT TYPE	TYPE OF FILER DATE	ELECTION	AMOUNT
LAKE, JAMES H CALIFORNIANS FOR PETE WILSON 1994 NATIONAL REPUBLICAN SENATORIAL COMMITTEE - CONTRIBUTIONS *	87SEN/006/0507 #079298 EARMARKED INTERMEDIARY OUT	WASHINGTON	DC 20007	SENATE MID-YEAR REPORT 25JUN87	PRIMARY	1,000
LAKE, JAMES H LAXALT FOR PRESIDENT COMMITTEE 87FEC/489/4331 #120847 CONTRIBUTION		ROBINSON, LAKE AND LEHER	DC 20007	OCTOBER QUARTERLY 15JUL87	PRIMARY	1,000
LAKE, JAMES H CALIFORNIANS FOR PETE WILSON 1994 87SEN/008/0606 #141954 CONTRIBUTION		WASHINGTON	DC 20007	MID-YEAR REPORT 17FEB87	PRIMARY	500
LAKE, JAMES H NATIONAL REPUBLICAN SENATORIAL COMMITTEE - CONTRIBUTIONS *		BOSTEN ROBINSON ET AL	DC 20007	MID-YEAR REPORT 25JUN87	PRIMARY	500
LAKE, JAMES H CALIFORNIANS FOR PETE WILSON 1994 87SEN/008/0708 #142401 EARMARKED CONTRIBUTION		WASHINGTON	DC 20007	PARTY QUALIFIED MID-YEAR REPORT 25JUN87	PRIMARY	500
LAKE, JAMES H NATIONAL REPUBLICAN SENATORIAL COMMITTEE - CONTRIBUTIONS *		WASHINGTON	DC 20007	PARTY QUALIFIED MID-YEAR REPORT 25JUN87	GENERAL	500
LAKE, JAMES H CHIP FASHAYAN FOR CONGRESS COMMITTEE 88HSE/340/3874 #236360 CONTRIBUTION		GOV'T CONSULTANT	DC 20007	YEAR-END 11JUL87	PRIMARY	500
LAKE, JAMES H CITIZENS FOR CONGRESSMAN FANETTA 88HSE/342/3347 #236468 CONTRIBUTION		WASHINGTON	DC 20004	YEAR-END 5OCT87	PRIMARY	500
LAKE, JAMES H COELHO FOR CONGRESS COMMITTEE 88HSE/341/4042 #248946 CONTRIBUTION		WASHINGTON	DC 20007	YEAR-END 27OCT87	PRIMARY	1,000
LAKE, JAMES H JOHN D O'INGSELL FOR CONGRESS COMMITTEE 88HSE/347/2006 #338471 CONTRIBUTION		ROBINSON, LAKE & LERER INC	DC 20007	APRIL QUARTERLY 31JAN88	PRIMARY	1,000
LAKE, JAMES H MR GEORGE BUSH FOR PRESIDENT, INC 88FEC/505/1172 #184153 CONTRIBUTION		INDIANAPOLIS	IN 46250	YEAR-END 19OCT87	PRIMARY	750
LAKE, JAMES H MR CALIFORNIANS FOR PETE WILSON 1994 88SEN/003/0143 #333974 CONTRIBUTION		WASHINGTON	DC 20006	APRIL QUARTERLY 5MAR88	PRIMARY	500

9 6 0 4 3 7 4 2 1 6 8

FEDERAL ELECTION COMMISSION

DATE 11DEC95

SELECTED LIST OF RECEIPTS & EXPENDITURES (87-88)
USER SELECTED ITEMIZED TRANSACTIONS

PAGE 2

REF	STREET ADDRESS	CITY	STATE ZIP	REPORT TYPE	TYPE OF FILER	ELECTION	AMOUNT
TRANSACTION TYPE					DATE		

NO 1994		WASHINGTON	DC 20006		OCTOBER QUARTERLY	PRIMARY	500-
CONTRIBUTION		LAKE LEHER & MONTGOMERY			18AUG88		
NO		ANCHORAGE	AK 99522		MID-YEAR REPORT	PRIMARY	500
CONTRIBUTION					20FEB87		

SELECTED LIST OF RECEIPTS & EXPENDITURES (85-86)
USER SELECTED ITEMIZED TRANSACTIONS

CONTRIBUTOR NAME TRANSFERRED STREET ADDRESS CITY STATE ZIP REPORT TYPE TYPE OF FILER ELECTION AMOUNT
 REFUGING ENTITY MICROFILM LOCATION TRANSACTION TYPE DATE

LAFE, JAMES HOLTZMAN FOR CONGRESS COMMITTEE 86BEE/31/1/24/1994 CONTRIBUTION	WASHINGTON HERON BURCHETTE & ASSOC	DC 20007	APRIL QUARTERLY 25/MAR86	PRIMARY	1,000
LAFE, JAMES H PEOPLE FOR MAR: ANDREWS 85SEN/04/1/3764 #419716 CONTRIBUTION	WASHINGTON HERON BURCHETT RUCHERT & ROTHWELL	DC 20007	PRE-GENERAL 13OCT86	GENERAL	1,000
LAFE, JAMES H VALLEY EDUCATION FUND* 86FEC/44/1/0920 #570687 CONTRIBUTION	WASHINGTON HERON BURCHETTE RUCKERT & ROTHWELL	DC 20007	PRE-GENERAL 10OCT86	PRIMARY	500

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FEDERAL ELECTION COMMISSION

DATE 11DEC95

PAGE 1

SELECTED LIST OF RECEIPTS & EXPENDITURES (83-84)
USER SELECTED ITEMIZED TRANSACTIONS

CONTRIBUTOR/LEADER/TRANSFERER REPORTING ENTITY	STREET ADDRESS	CITY	STATE ZIP	REPORT TYPE	TYPE OF FILER	ELECTION	AMOUNT
MICROFILM LOCATION	TRANSACTION TYPE				DATE		

LAKE, JAMES REAGAN-9036 194 84FEC/2807/219 #098150 CONTRIBUTION		WASHINGTON	DC 20036	YEAR-END	13DEC83	PRIMARY	1,000
LAKE, JAMES ROBERT TORRICELLI FOR CONGRESS COMMITTEE - 1984 INC 84FEC/276/1242 #385260 CONTRIBUTION		PARSIFFANY SELF-EMPLOYED	NJ	PRE-GENERAL	9OCT84	GENERAL	500
LAKE, JAMES A DOLE FOR SENATE COMMITTEE, INC 85SEN/003/1079 #484674 CONTRIBUTION		WASH HERON, BURCHETTE, & RUCKERT	DC 20007	YEAR-END	31OCT84	PRIMARY	500

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FEDERAL ELECTION COMMISSION

DATE 11DEC93

SELECTED LIST OF RECEIPTS & EXPENDITURES (81-92)
USER SELECTED ITEMIZED TRANSACTIONS

PAGE 1

CONTRIBUTOR/LENDER/TRANSFEROR REPORTING ENTITY	STREET ADDRESS	CITY	STATE	ZIP	REPORT TYPE	TYPE OF FILER	ELECTION	AMOUNT
MICROFILM LOCATION	TRANSACTION TYPE						DATE	

LAVE, JAMES H PETE WILSON FOR U S SENATE 828EN/016/2792 #326919 CONTRIBUTION		WASHINGTON BEST EFFORT	DC		OCTOBER QUARTERLY	GENERAL	23AUG82	1,000
LAVE, JAMES H CHIP FASHAYAN FOR CONGRESS COMMITTEE 824SE/237/9470 #392425 CONTRIBUTION		WASHINGTON SELF-EMPLOYED	DC		POST-GENERAL	GENERAL	1NOV82	1,000

96043742172

FEDERAL ELECTION COMMISSION

DATE 11DEC95

SELECTED LIST OF RECEIPTS & EXPENDITURES (79-80)
USER SELECTED ITEMIZED TRANSACTIONS

PAGE 1

CONTRIBUTOR/LENDER/TRANSFEROR REPORTING ENTITY	STREET ADDRESS	CITY	STATE ZIP	REPORT TYPE	TYPE OF FILER	ELECTION	AMOUNT
MICROFILM LOCATION	TRANSACTION TYPE				DATE		
LAPE, JAMES H CORGAN CAMPAIGN COMMITTEE 809SE/186/3251 #562622	CONTRIBUTION	WASHINGTON GOVERNMENT RELATIONS	DC 20006 OCTOBER QUARTERLY		2AUG90	GENERAL	500
LAPE, JAMES H NACAPAC 809SE/186/2381 #139434	CONTRIBUTION	INDIANAPOLIS ELANCO PRODUCTS CO	IN 46250 YEAR-END		13DEC79	PRIMARY	200
LAPE, JAMES H DWAYLE FOR SENATE COMMITTEE 809SE/104/2577 #285294	CONTRIBUTION	INDIANAPOLIS ELANCO	IN 46250 APRIL QUARTERLY		29FEB90	PRIMARY	250
LAPE, JAMES H MR GEORGE BUSH FOR PRESIDENT 79FEC/102/4581 #095890	CONTRIBUTION	INDIANAPOLIS ELI LILLY	IN 46250 OCTOBER QUARTERLY		21SEP79	PRIMARY	125
LAPE, MICHAEL SENATOR RICHARD (DICK) STONE CAMPAIGN COMMITTEE 809SE/002/3873 #252964	CONTRIBUTION	ALTAMONTE SPRINGS ATTORNEY	FL 32701 YEAR-END		29NOV79	PRIMARY	200



OFFICE OF INDEPENDENT COUNSEL

DONALD C. SMALTZ

In re Secretary of Agriculture Espy

P.O. Box 26356
103 Oronoco Street, Suite 200
Alexandria, VA 22313
(703) 760-0010
(FAX) 706-0076

December 22, 1995

By hand

Lois Lerner, Esq.
Associate General Counsel
Federal Election Commission
Office of the General Counsel
999 E St., N.W., Rm. 657
Washington, DC 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
DEC 28 10 56 AM '95

(PREMUR 321)

Re: Conduit and Corporate Contributions to Henry Espy Congressional Campaign

Las
Dear Ms. Lerner:

As you agreed, the Office of Independent Counsel is providing these excerpts for your internal use only, not for public disclosure, and on the condition that the Federal Election Commission not disclose these excerpts pursuant to any Freedom of Information Act request that the FEC may receive.

For your reference, we also have enclosed a copy of James Lake's plea agreement.

We look forward to working with you at appropriate times as our ongoing investigation progresses. Please do not hesitate to contact me at (703) 706-0010 to continue our discussions.

Sincerely,

Theodore S. Greenberg
Special Counsel

enclosures

96043742173



OFFICE OF INDEPENDENT COUNSEL

DONALD C. SMALTZ

In re Secretary of Agriculture Espy

P.O. Box 20355
103 Oronoco Street, Suite 200
Alexandria, VA 22313
(703) 706-0010
(FAX) 706-0076
October 23, 1995

Plato Cacheris, Esq.
Cacheris & Treanor
1100 Connecticut Avenue, N.W.
Suite 730
Washington, D.C. 20036

FILED

OCT 25 1995

Clerk, U.S. District Court
District of Columbia

Re: UNITED STATES v. JAMES H. LAKE

Dear Mr. Cacheris:

On the understandings specified below (the "Agreement"), the Office of the Independent Counsel (the "Independent Counsel") will accept a waiver of indictment and guilty plea from James H. Lake to a criminal information (the "Information") charging him in three counts with (i) wire fraud, in violation of Title 18, United States Code, Sections 1343, 1346 and 2 (Count One), (ii) aiding and abetting the making of a corporate campaign contribution, in violation of Title 2, United States Code, Sections 441b(a) and 437g(d)(1)(A), and Title 18, United States Code, Section 2 (Count Two), and (iii) aiding and abetting the making of a campaign contribution in the name of another person, in violation of Title 2, United States Code, Sections 441f and 437g(d)(1)(A), and Title 18, United States Code, Section 2 (Count Three). The charge contained in Count One, a felony, carries a maximum sentence of five years' imprisonment, a maximum term of three years' supervised release, a maximum fine, pursuant to Title 18, United States Code, Section 3571(b), of \$250,000, restitution, and a mandatory \$50 special assessment. The charges contained in Counts Two and Three, Class A misdemeanor offenses, each carry a maximum sentence of one year imprisonment, a maximum term of one year of supervised release, a maximum fine, pursuant to Title 18, United States Code, Section 3571(b), of \$100,000, restitution, and a mandatory \$25 special assessment.

It is understood that James H. Lake, by agreeing to plead guilty as set forth above, waives immunity from prosecution, which was ordered (Misc. No. 95-308), on September 21, 1995, by Chief Judge John Garrett Penn, United States District Court for the District of Columbia, pursuant to Title 18, United States Code, Sections 6002-6003 and conferred in the Grand Jury (95-1) on September 28, 1995. It is further understood that James H. Lake waives the terms of the limited no prosecution agreement, dated May 19, 1995, between the Independent Counsel and James H. Lake, and as extended to the meetings between the Independent Counsel and James H. Lake conducted on June 2, 12, and September 26, 1995.

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It is understood that James H. Lake agrees to make available to the Independent Counsel for use as evidence at any subsequent court proceeding the \$1,000 that he retained as proceeds of the offenses charged in the Information, and further to pay that amount, or such other amount as the sentencing Judge may determine, as restitution at sentencing. It is further understood that within 60 days from the date of this Agreement, James H. Lake agrees to deposit into an account designated by the United States Marshal for the District of Columbia, or such other account designated by the Independent Counsel, the amount of \$150,000 to be held in escrow until sentencing in order to satisfy any fine that the sentencing Judge may impose.

It is understood that James H. Lake (a) shall truthfully and completely disclose all information with respect to the activities of himself and others concerning all matters about which the Independent Counsel inquires of him; (b) shall cooperate fully with the Independent Counsel, the Department of Justice, the Federal Bureau of Investigation, the United States Department of Agriculture, the Federal Election Commission (FEC), and any other law enforcement agency designated by the Independent Counsel; (c) shall attend all meetings at which the Independent Counsel requests his presence; (d) shall provide to the Independent Counsel and the agencies referenced above, upon request, any document, record, or other tangible evidence within his care, custody or control relating to matters about which the Independent Counsel or any law enforcement agency designated by the Independent Counsel inquires of him; (e) shall truthfully testify before the grand jury and at any trial and other court or administrative proceeding with respect to any matters about which the Independent Counsel may request his testimony; and (f) shall commit no further crimes whatsoever. Moreover, any assistance James H. Lake may provide hereunder shall be pursuant to the specific instructions and direction of the Independent Counsel.

If James H. Lake fully complies with the understandings specified in this Agreement, he will not be further prosecuted by the Independent Counsel for any crimes related to his participation, in or about March through June 1994, with Richard Douglas, Sun-Diamond Growers of California, and others, in a conspiracy to commit and the commission of the crimes of mail fraud, wire fraud, interstate transportation of money and property obtained by fraud, and violations of the Federal Election Campaign Act, to the extent James H. Lake has disclosed such participation to the Independent Counsel as of the date of this Agreement. This Agreement does not provide any protection against prosecution for any crimes except as set forth above.

It is further understood that because of James H. Lake's willingness to enter a plea of guilty to the Information and acknowledgment of responsibility for the crimes set forth therein, and if James H. Lake fully complies with the understandings specified in this Agreement, Bozell Worldwide, Inc., Robinson, Lake, Lerer & Montgomery, Inc., d/b/a "Robinson Lake Sawyer Miller" (the "companies") will not be prosecuted by the Independent Counsel for any of the crimes, based upon the conduct of James H. Lake, set forth in the preceding paragraph. The Independent Counsel is proceeding on the basis that the information now known to this office -- including, but not limited to the representations of Mr. Lake and

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others -- indicates that the companies were unaware of James Lake's and Richard Douglas' agreement that Sun Diamond would fund and disguise the illegal \$5,000 corporate contribution. It is further understood, however, that the Independent Counsel's agreement not to prosecute the companies is based upon facts now known to the Independent Counsel and available for use as of the date of this Agreement. Should any additional material facts become known to the Independent Counsel concerning the companies, or, alternatively, should James H. Lake fail to fully comply with the understandings specified in this Agreement, the Independent Counsel reserves the right to prosecute the companies for any federal criminal violations of which the Independent Counsel has knowledge.

It is further understood that nothing in this Agreement waives or limits in any way the authority of the FEC to seek civil penalties or other administrative remedies for violations of the Federal Election Campaign Act pursuant to Title 2, United States Code, Section 437g(a).

It is further understood that James H. Lake admits that his conduct knowingly and willfully violated Title 2, United States Code, Sections 441b(a) and 441f of the Federal Election Campaign Act, and that the FEC has the authority to seek civil penalties against him for those violations pursuant to Title 2, United States Code, Section 437g(a)(5). James H. Lake agrees to submit to the FEC's jurisdiction, to cooperate with the FEC in its compliance proceedings against him, including waiving all evidentiary privileges and FEC notification procedures to which he may be entitled, and to enter into a conciliation agreement and pay whatever civil penalty the FEC deems appropriate pursuant to Title 2, United States Code, Section 437g(a)(5).

It is understood that this Agreement does not bind any federal, state, or local prosecuting authority other than the Independent Counsel. The Independent Counsel will, however, bring the cooperation of James H. Lake to the attention of other prosecuting offices, if requested by James H. Lake.

It is understood that the sentence to be imposed upon James H. Lake is within the sole discretion of the sentencing Judge. The Independent Counsel cannot, and does not, make any promise or representation as to what sentence James H. Lake will receive. The Independent Counsel reserves the right to make a sentence recommendation to the sentencing Judge, including whether or not a sentence of imprisonment is appropriate and, if so, the length of any such term of imprisonment. The Independent Counsel and James H. Lake agree, pursuant to Rule 11(e)(1)(C) of the Federal Rules of Criminal Procedure, that James H. Lake pay a fine in the amount of \$150,000, notwithstanding the filing of any Section 5K1.1 motion on behalf of James H. Lake, as set forth below. The Independent Counsel will inform the Probation Department and the sentencing Judge of (a) this Agreement; (b) the nature and extent of James H. Lake's activities with respect to this case and all other activities of James H. Lake which the Independent Counsel deems relevant to sentencing; and (c) the nature and extent of James H. Lake's cooperation with the Independent Counsel. In so doing, the Independent Counsel may use any information it deems relevant, including information provided by James H. Lake both prior

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to and subsequent to the signing of this Agreement. In addition, if the Independent Counsel determines, in his sole and unfettered discretion, that James H. Lake has provided substantial assistance in an investigation and prosecution, and if James H. Lake has fully complied with the understandings specified in this Agreement, the Independent Counsel will file a motion, pursuant to Section 5K1.1 of the Sentencing Guidelines, requesting the sentencing Judge to sentence James H. Lake in light of the factors set forth in Section 5K1.1(a)(1)-(5).

It is understood that, even if such a sentencing motion referred to above is filed, the sentence to be imposed on James H. Lake remains within the sole discretion of the sentencing Judge. Moreover, nothing in this Agreement limits the Independent Counsel's right to present any facts and make any arguments relevant to the sentencing to the Probation Department and the sentencing Judge, or to take any position on post-sentencing motions.

It is understood that, should the Independent Counsel determine that James H. Lake has not provided substantial assistance in an investigation and prosecution as set forth above, or has violated any provision of this Agreement, such a determination will release the Independent Counsel from any obligation to file a motion pursuant to Section 5K1.1 of the Sentencing Guidelines, but will not entitle James H. Lake to withdraw his guilty plea to the Information once it has been entered.

It is understood that, should James H. Lake commit any further crimes or should it be determined that he has given false testimony or information, or should he otherwise violate any provision of this Agreement, James H. Lake shall thereafter be subject to prosecution for any federal criminal violation of which the Independent Counsel has knowledge, including perjury and obstruction of justice. Any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against James H. Lake, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of such prosecution. It is the intent of this Agreement to waive all defenses based on the statute of limitations with respect to any prosecution within the jurisdiction of this Independent Counsel that is not time-barred on the date that this Agreement is signed.

It is understood that in the event that it is determined that James H. Lake has committed any further crimes, given false testimony or information, or otherwise violated any provision of this Agreement, (a) all statements made by James H. Lake to the Independent Counsel or other law enforcement agents, and any testimony given by James H. Lake before a grand jury or other tribunal, whether prior to or subsequent to the signing of this Agreement, and any leads from such statements or testimony shall be admissible in evidence in any criminal proceeding brought against James H. Lake; and (b) James H. Lake shall assert no claim under the United States Constitution, any statute, Rule 11(e)(6) of the Federal Rules of Criminal

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Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or any leads therefrom should be suppressed. It is the intent of this Agreement to waive all rights in the foregoing respects.

This Agreement supersedes any and all prior understandings, promises, or conditions, whether oral or written, between the Independent Counsel and James H. Lake. No additional understandings, promises, or conditions have been entered into other than those set forth in this Agreement, and none will be entered into unless in writing and signed by all parties.

Very truly yours,

Donald C. Smaltz
DONALD C. SMALTZ
Independent Counsel
Theodore S. Greenberg, Esq.
Special Counsel
Robert W. Ray, Esq.
Associate Independent Counsel

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AGREED AND CONSENTED TO:

James H. Lake
JAMES H. LAKE

Oct 23, 1995
DATE

APPROVED:

Plato Cacheris
PLATO CACHERIS, ESQ.
Attorney for James H. Lake

23 OCT 1995
DATE

OLDAKER, RYAN, PHILLIPS & UTRECHT

ATTORNEYS AT LAW

818 CONNECTICUT AVENUE, N.W.

SUITE 1100

WASHINGTON, D.C. 20006

(202) 728-1010

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

MAR 13 3 46 PM '96

March 13, 1996

Via Courier

PRE-MUR 321

Mr. Tom Anderson
Office of the General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Dear Mr. Anderson:

In response to your earlier telephone conversation with my assistant, Annette Finch, enclosed please find the original Designation of Counsel forms for Mr. James H. Lake, James C. Lake and Michael B. Lake.

As Annette indicated, we did forward copies of all three Designation Counsel forms to the Federal Election Commission in January.

If you have any questions or require further information, please do not hesitate to contact me.

Sincerely,

William C. Oldaker / *all*

William C. Oldaker

Enclosures (3)

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STATEMENT OF DESIGNATION OF COUNSEL

Name of Counsel: William C. Oldaker
Address: Oldaker, Ryan & Leonard
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006
Telephone: (202) 728-1010

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

12/5/95
Date

James H. Lake
Signature

Name: JAMES H. LAKE
Address: 2229 BANCROFT PL #303
WASH DC 20008
202-234-6547
Business Phone:

96043742180

STATEMENT OF DESIGNATION OF COUNSEL

Name of Counsel: William C. Oldaker
Address: Oldaker, Ryan & Leonard
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006
Telephone: (202) 728-1010

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

1/4/96
Date

Michael B. Lake
Signature

Name: Michael Lake

Address: 1413 Prince St.
Alex. VA 22314

Business Phone: 202. 739. 0220

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Law Offices

HOLLAND & KNIGHT

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Fort Lauderdale	St. Petersburg
Jacksonville	Tallahassee
Lakeland	Tampa
Miami	West Palm Beach

March 15, 1996

WILLIAM B. CANFIELD, III
202-955-5000

VIA HAND DELIVERY

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

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
MAR 18 10 49 AM '96

Re: Pre-MUR 321, Mark Helmke

Dear Mr. Anderson:

Attached you will find a "Designation of Counsel" form executed on March 14, 1996 by my client, Mark Helmke, in the above captioned matter.

Please address all correspondence and inquiries to me at the address listed above.

We look forward to a speedy and mutually satisfactory resolution of this matter.

With best wishes,

Sincerely,

HOLLAND & KNIGHT

William B. Canfield, III

WBC/ja
Encl.
cc: Mark Helmke

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COMMISSION
OFFICE OF GENERAL
COUNSEL
MAR 10 10 48 AM '96

STATEMENT OF DESIGNATION OF COUNSEL

NR Pre-MUR 321

NAME OF COUNSEL: WILLIAM B. CANFIELD

ADDRESS: HOLLAND + KNIGHT
SUITE 400, 2100 PENNSYLVANIA AVE. N.W.
WASHINGTON, DC 20037

TELEPHONE: (202) 862-5960

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.

3/14/96
Date

[Signature]
Signature

RESPONDENT'S NAME: MARK HELMKE

ADDRESS: 909 QUAKER LANE
ALEXANDRIA, VA. 22302

HOME PHONE:

BUSINESS PHONE: 703-823-1820

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LOS OFFICES OF

LOES AND LOES

A MEMBER OF HOLDING INTERNATIONAL CORPORATION

280 PARK AVENUE

NEW YORK, N. Y. 10022-3827

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CABLE ADDRESS "LOEANS"

TELEX 87-3100

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MEMPHIS, TENNESSEE 38102-2000
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SUBURBAN OFFICE
PIAZZA DISTRICT
CHICAGO, ILLINOIS
60607-4002
ITALY
011-390-000-0000
FACSIMILE 011-390-070-0000

WRITER'S DIRECT DIAL NUMBER:

(212) 407-4910

March 26, 1996

VIA FACSIMILE

Thomas Anderson, Esq.
Federal Election Commission
999 "E" Street, N.W.
Washington, D.C. 20463

Re: Robinson Lerer Sawyer Miller
Pre-MIR 321

Mar 26 4 48 PM '96

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Dear Mr. Anderson:

Confirming our telephone conversation of today and as indicated in Leslie Fagen's letter to you dated March 25, 1996, we represent Bozell, Jacobs, Kanyon & Eckhardt and Bozell Worldwide Inc.

As we discussed, the final letter agreement between and among the Office of the Independent Counsel (Donald C. Smaltz) and Robinson Lerer Sawyer Miller (formerly known as Robinson, Lake, Lerer & Montgomery, Inc.), Bozell, Jacobs, Kanyon & Eckhardt, Inc. and Bozell Worldwide Inc., provided that Robinson Lake shall submit itself to the jurisdiction of the Federal Election Commission, all as indicated in paragraph 1 of the letter agreement dated October 25, 1995 as follows:

1. Federal Election Commission (FEC):
Robinson Lake agrees to submit to the FEC's jurisdiction with respect to the actions of James H. Lake as described in the attached criminal information and related facts. The companies understand that James H. Lake has admitted that his conduct knowingly and willfully violated the Federal Election Campaign Act (FECA) and will plead guilty to the criminal information. In this regard, Robinson Lake Sawyer Miller agrees that it is vicariously liable as employers for Lake's actions and that the FEC has the authority to seek civil penalties

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THOMAS ANDERSON, ESQ. & LOEB LLP
Thomas Anderson, Esq.
March 26, 1996
Page 2

against it for violations of the FECA. The companies agree to cooperate with the FEC in its compliance proceedings, including waiving all evidentiary privileges and notification procedures to which they may be entitled, subject to the letter of Leslie G. Fagen of October 24, 1995 and Robinson Lake agrees to enter into a conciliation agreement and pay whatever civil penalties, if any, the FEC deems appropriate. Nothing herein limits the right of the FEC to proceed against parties other than Robinson Lake, as it deems appropriate.

As I advised you, our position is that Bozell, Jacobs, Kenyon & Eckhardt and Bozell Worldwide Inc. are not subject to the jurisdiction of the Federal Election Commission or any action to be taken by the FEC. Obviously, if you have any questions with respect to this matter or need any information from me, please do not hesitate to call.

Sincerely,



Charles H. Miller
Loeb & Loeb LLP

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

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

MAR 21 10 06 AM '96

FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

Pre-MUR 321

DATE OF REFERRAL: 10/27/1995
DATE ACTIVATED: 11/27/1995
STAFF MEMBER: Thomas J. Andersen

REFERRED BY: Office of Independent Counsel, In re Secretary of Agriculture Espy

RESPONDENTS: James Howard Lake
Mark Charles Helmke
Michael B. Lake
James C. Lake, Jr.
Robinson, Lake, Lerer & Montgomery, Inc., d/b/a
Robinson Lake Sawyer Miller
Bozell Worldwide, Inc.

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

INTERNAL REPORTS CHECKED: Referral Materials

FEDERAL AGENCIES CHECKED: Office of Independent Counsel, In re Secretary of Agriculture Espy

I. GENERATION OF MATTER

On October 27, 1995, the Office of Independent Counsel, In re Secretary of Agriculture Espy ("OIC"), wrote the Federal Election Commission ("Commission") concerning possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by James H.

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Lake. Attachment 1. Accompanying the letter was a criminal information, plea agreement, and a statement of facts regarding the federal prosecution of James H. Lake for these and other violations. Attachments 2-4. OIC also provided correspondence relating to an agreement with Lake's corporation, Robinson, Lake, Lerer & Montgomery, Inc., d/b/a Robinson Lake Sawyer Miller ("RLSM")¹, in which it agrees to cooperate with the Commission and to enhance its internal control procedures. Attachment 5. On the same day, OIC notified the Commission of RLSM's involvement in the above matter and included the same documents as contained in the Lake referral. Attachment 6.

OIC charged Mr. Lake with one count of wire fraud, one count of knowingly and willfully making an unlawful contribution in violation of 2 U.S.C. § 441b(a) and 18 U.S.C. § 2, and one count of knowingly and willfully making a contribution in the name of another in violation of 2 U.S.C. § 441f and 18 U.S.C. § 2.² Attachment 2. The contribution in question was made to the campaign of Henry Espy to cover debts incurred as a result of an unsuccessful bid for the congressional seat vacated by his brother, then Secretary of Agriculture Michael Espy.

Due to the apparent involvement in this matter of other persons and entities associated with James H. Lake and RLSM, this Office requested additional information from OIC. On December 20, 1995, staff of this Office met with OIC to determine the scope of OIC's investigation and to gather relevant information and documents.

¹ RLSM is a wholly-owned subsidiary of Bozell Worldwide, Inc., which is a wholly-owned subsidiary of Bozell, Jacobs, Kenyon & Eckhardt, Inc.

² 18 U.S.C § 2 holds that "[w]hoever commits an offense against the United States or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal"

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OIC which suggest possible violations of the Act by Mark Charles Helmke and Mr. Lake's sons, Michael B. Lake and James C. Lake, Jr.³ Attachments 7-9. Along with James H. Lake, they appear to have knowingly permitted their names to be used to effect a contribution.

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 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

³ James Howard Lake is referred to in this Report as either "James H. Lake" or "Mr. Lake." The two other Respondents sharing that surname are referred to by their names as listed above, or collectively as "the sons."

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).⁴

The Act addresses violations of law that are knowing and willful. See 2 U.S.C. §§ 437g(a)(5)(B) and 437g(d). The phrase "knowing and willful" indicates that "actions [were] taken with full knowledge of all of the facts and a recognition that the action is prohibited by law." 122 Cong. Rec. H3778 (daily ed. May 3, 1976).

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

⁴ This regulation "applies to those who initiate or instigate or have some significant participation in a plan or scheme to make a contribution in the name of another . . ." 54 Fed. Reg. 34105 (August 17, 1989).

[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)).

B. Factual Background

During the relevant times, James H. Lake was chairman of the board of directors of RLSM and in charge of the firm’s Washington offices. RLSM’s primary business is lobbying and public relations. One of RLSM’s clients in 1993 and 1994, and for many years previous, was Sun-Diamond Growers of California (“Sun-Diamond”), a corporation with headquarters in Pleasanton, California. Sun-Diamond’s senior vice-president in charge of corporate affairs is Richard Douglas. Mr. Douglas was responsible for Sun-Diamond’s Washington, D.C.-based political and lobbying activities and for administering the corporation’s political contributions. Mr. Lake was listed on Sun-Diamond’s organizational chart as having responsibility for Sun-Diamond’s Washington office. Attachment 4 at 10. Richard Douglas maintained an office at RLSM’s offices in Washington, D.C.

In January 1993, President Clinton appointed Mississippi Congressman Michael Espy as Secretary of Agriculture. His brother Henry Espy ran unsuccessfully in a special primary election in March 1993 for the congressional seat vacated by Michael Espy. Henry Espy’s campaign committee, Henry Espy for Congress (“the Committee”), incurred debts of over \$75,000. In early March 1994, Richard Douglas told James H. Lake that Mr. Douglas’ friend Michael Espy wanted help in raising money to retire Henry Espy’s campaign debt. They agreed that Mr. Lake, and four other individuals whom Mr. Lake would solicit from RLSM, would each write a check for \$1,000 to the Committee, to be reimbursed by Sun-Diamond.⁵ The money was

⁵ OIC’s investigation concerning the activities of other individuals and entities involved in the matter at hand is ongoing. Accordingly, OIC has requested that this Office refrain from

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to be funneled from Sun-Diamond through RLSM to James H. Lake by means of a false expense item for a \$5,000 entertainment contribution to the "Joint Center Dinner," an annual dinner held by the Joint Center for Political and Economic studies. RLSM was to submit an expense voucher to Sun-Diamond itemizing the expenditure, to be approved by Mr. Douglas for payment by Sun-Diamond.

James H. Lake wrote a check for \$1,000 to the Committee and requested and obtained \$1,000 checks from three RLSM officers: Mark Charles Helmke, Michael B. Lake and James C. Lake, Jr. When Mr. Lake was unable to secure a fifth person to participate in the scheme, he forwarded the four checks, totaling \$4,000, to Richard Douglas, who deposited them in a bank account in the name of "Henry Espy for Congress."

On March 11, 1994, James H. Lake caused a billable expense report to be sent to RLSM's parent corporation, Bozell Worldwide, Inc. ("Bozell"), requesting reimbursement to him of \$5,000 for the purchase of a purported ticket to the Joint Center Dinner.⁶ On March 14, 1994, Bozell transmitted a check for \$5,000 to James H. Lake as reimbursement for the listed dinner expense. Attachment 4 at 12. Sometime between March 10 and March 24, 1994, James H. Lake reimbursed the three RLSM officers by writing each of them a personal check in

expanding the scope of its enforcement activities beyond the Respondents presently named in this matter.

⁶ According to OIC, James H. Lake requested and received reimbursement for all of his expenses from Bozell in the ordinary course of business. Although James H. Lake was not employed by Bozell, this Office has named it as a respondent because it transferred the prohibited funds for which it was eventually reimbursed. Also, OIC appears to have treated Bozell and RLSM as the same entity in its agreement with "the companies," in which RLSM, Bozell, and Bozell, Jacobs, Kenyon & Eckhardt, Inc. (Bozell's parent corporation) "agree to cooperate with the [Commission] in its compliance proceedings." See Attachment 5 at 2.

the amount of \$1,000. He reimbursed himself for his own \$1,000 contribution and kept the remaining \$1,000.

RLSM then included the dinner expense in its invoice for services to Sun-Diamond, dated April 26, 1994. Attachment 4 at 13-14. Sun-Diamond then sent a check to RLSM in full payment for the April 1994 bill, which included reimbursement for the non-existent dinner expense. Attachment 4 at 15. This \$5,000 reimbursement was eventually transferred back to Bozell, RLSM's parent corporation.⁷

C. Discussion

Sun-Diamond's reimbursement of the individual contributions by means of the \$5,000 payment from Bozell to James H. Lake for the Joint Center Dinner, and then from Sun-Diamond to RLSM and back to Bozell, constituted an unlawful corporate contribution from Sun-Diamond to the Committee in violation of 2 U.S.C. § 441b(a). By permitting his name to be used to effect a contribution and by soliciting RLSM employees to participate by making individual contributions for which they were reimbursed, James H. Lake violated 2 U.S.C. § 441f.

Mr. Lake has entered into an agreement with OIC which states that he knew it was illegal for Sun-Diamond to make corporate contributions in connection with a federal election and that it was illegal for him to circumvent individual contribution limits by making contributions in the names of other persons. See Attachments 2-4. Accordingly, this Office recommends that the Commission find reason to believe that James H. Lake knowingly and willfully violated 2 U.S.C.

⁷ This Office received this information pursuant to a phone conversation with OIC on January 29, 1996.

§ 441f by knowingly permitting his name to be used to effect a contribution, and by knowingly assisting in the making of contributions in the name of another.

As part of the plea agreement, Mr. Lake has agreed to submit to the Commission's jurisdiction and to enter into a conciliation agreement and pay whatever civil penalty the Commission deems appropriate under 2 U.S.C. § 437g(a). Since the Commission has received adequate information from OIC regarding this matter, this Office recommends that the Commission offer to enter into conciliation with this Respondent prior to a finding of probable cause to believe.

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RLSM, James H. Lake's corporation, has agreed that it is liable for Mr. Lake's actions and that it will enter into a conciliation agreement and pay whatever civil penalties the Commission deems appropriate. Attachment 5 at 2. Bozell, RLSM's parent company, which directly reimbursed Mr. Lake for the contributions, has agreed to cooperate with the Commission in this matter. Id. Accordingly, this Office recommends that the Commission find reason to believe that RLSM and Bozell knowingly and willfully violated 2 U.S.C. § 441f by knowingly assisting in the making of campaign contributions in the name of another. This Office further recommends that the Commission offer to enter into conciliation with these Respondents prior to a finding of probable cause to believe.

Mark Charles Helmke has admitted to making a contribution to the Committee with the understanding that he would be reimbursed by James H. Lake. Excerpts from F.B.I. interviews with Mr. Helmke indicate that "[a]t the time he was asked to make the contribution, he knew that it was illegal and a technical violation of the Federal Election Commission rules." Attachment 7 at 5. Since it appears that he knowingly permitted his name to be used to effect a contribution,

and that he knew at the time that such conduct was a violation of the Act, this Office recommends that the Commission find reason to believe that Mark Charles Helmke knowingly and willfully violated 2 U.S.C. § 441f. This Office further recommends that the Commission offer to enter into conciliation with this Respondent prior to a finding of probable cause to believe.

Michael B. Lake has admitted to the FBI that he made a campaign contribution to the Committee at the request of his father James H. Lake. He also stated that he was reimbursed in full by his father. See Attachment 8 at 1-2. James H. Lake told the FBI that his other son, James C. Lake, Jr., provided him with a check made out to the Committee shortly after being requested to make the contribution.⁸ See Attachment 9 at 2. At the time of the request, the sons appear to have known of Richard Douglas' desire to secure donations for the Committee, and their father assured them that they would be fully reimbursed. See Attachment 8 at 1 and Attachment 9 at 1-2. Sometime in March 1994, they each received a \$1,000 check from James H. Lake as reimbursement for their contributions.

Counsel for the Lakes⁹ claims that Mr. Lake's sons "were unaware that their contributions to [the Committee] were prohibited." Attachment 10 at 2. Counsel argues that "[t]hey relied solely on their father's advice that the contributions and reimbursement for them were appropriate behavior." *Id.* Although the FBI has interviewed Mark Charles Helmke regarding his knowledge of the Act at the time of the contributions, there is no indication that

⁸ On January 18, 1996, the FBI informed this Office that it had not yet interviewed James C. Lake, Jr. regarding this matter.

⁹ James H. Lake, Michael B. Lake, and James C. Lake, Jr. are jointly represented in this matter.

Mr. Lake's sons were ever questioned on this point. In these circumstances, this Office would normally recommend an investigation in order to determine whether the sons' violations of the Act were knowing and willful. However, this Office does not believe that it is the best use of Commission resources to pursue such an investigation, and therefore makes no knowing and willful recommendation as to violations of the Act by Michael B. Lake and James C. Lake, Jr.

Accordingly, this Office recommends that the Commission find reason to believe that Michael B. Lake violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution, and offer to enter into conciliation with this Respondent prior to a finding of probable cause to believe. This Office also recommends that the Commission find reason to believe that James C. Lake, Jr. violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution, and offer to enter into conciliation with this Respondent prior to a finding of probable cause to believe.

This Office is making no recommendations as to other individuals and entities that appear to have been involved in this matter. See footnote 5.

III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

Attached for the Commission's approval are five proposed conciliation agreements.

Attachment 12.

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IV. RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe that James Howard Lake knowingly and willfully violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
3. Find reason to believe that Robinson, Lake, Lerer & Montgomery, d/b/a Robinson Lake Sawyer Miller, and Bozell Worldwide, Inc., knowingly and willfully violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
4. Find reason to believe that Mark Charles Helmke knowingly and willfully violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
5. Find reason to believe that Michael B. Lake violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.

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- 6. Find reason to believe that James C. Lake, Jr. violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
- 7. Approve the attached proposed Factual and Legal Analyses, proposed conciliation agreements, and appropriate letters.

Lawrence M. Noble
General Counsel

3/20/96
Date

BY:


Lois G. Lerner
Associate General Counsel

Attachments:

- 1. Referral letter from Office of Independent Counsel regarding James Howard Lake, dated October 27, 1995
- 2. Criminal Information regarding James Howard Lake filed by Independent Counsel in the U.S. District Court for the District of Columbia, October 23, 1995
- 3. Agreement of James Howard Lake filed by Independent Counsel in the U.S. District Court for the District of Columbia, October 25, 1995
- 4. Statement of Facts regarding James Howard Lake filed by Independent Counsel in the U.S. District Court for the District of Columbia, October 25, 1995
- 5. Agreement of Robinson, Lake, Lerer & Montgomery, Inc., d/b/a Robinson Lake Sawyer Miller (and parent companies), filed by Independent Counsel in the U.S. District Court for the District of Columbia, October 25, 1995
- 6. Referral letter from Independent Counsel regarding Robinson, Lake, Lerer & Montgomery, d/b/a Robinson Lake Sawyer Miller (and parent companies)
- 7. 
- 8. 
- 9. 
- 10. Letter to Federal Election Commission from Counsel for James Howard Lake, Michael B. Lake, and James C. Lake, Jr., dated December 12, 1995
- 11. Proposed Factual and Legal Analyses (5)
- 12. Proposed conciliation agreements (5)

96043742200

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

James Howard Lake;
Mark Charles Helmke;
Michael B. Lake;
James C. Lake, Jr.;
Robinson, Lake, Lerer & Montgomery,
Inc., d/b/a Robinson Lake
Sawyer Miller;
Bozell Worldwide, Inc.

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Pre-MUR 321

MUR 4331

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 26, 1996, the Commission decided by a vote of 4-0 to take the following actions in Pre-MUR 321:

1. Open a MUR.
2. Find reason to believe that James Howard Lake knowingly and willfully violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
3. Find reason to believe that Robinson, Lake, Lerer & Montgomery, d/b/a Robinson Lake Sawyer Miller, and Bozell Worldwide, Inc., knowingly and willfully violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.

(continued)

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4. Find reason to believe that Mark Charles Helmke knowingly and willfully violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
5. Find reason to believe that Michael B. Lake violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
6. Find reason to believe that James C. Lake, Jr. violated 2 U.S.C. § 441f, and enter into conciliation prior to a finding of probable cause to believe.
7. Approve the proposed Factual and Legal Analyses, proposed conciliation agreements, and appropriate letters, as recommended in the General Counsel's Report dated March 20, 1996.

Commissioners Aikens, Elliott, McGarry, and Thomas voted affirmatively for the decision; Commissioner McDonald did not cast a vote.

Attest:

3-26-96
Date

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

Received in the Secretariat: Thurs., March 21, 1996 10:06 a.m.
Circulated to the Commission: Thurs., March 21, 1996 4:00 p.m.
Deadline for vote: Tues., March 26, 1996 4:00 p.m.

bjr

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 1, 1996

**William B. Canfield, III, Esq.
Holland & Knight
2100 Pennsylvania Ave., N.W.
Suite 400
Washington, DC 20037-3202**

**RE: MUR 4331
Mark Charles Helmke**

Dear Mr. Canfield:

On March 26, 1996, the Federal Election Commission found that there is reason to believe Mark Charles Helmke knowingly and willfully 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 your client agrees 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.

Celebrating the Commission's 20th Anniversary

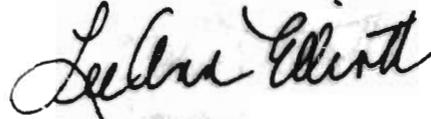
YESTERDAY TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

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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 Andersen, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,



Lee Ann Elliott
Chairman

- Enclosures
- Factual and Legal Analysis
- Procedures
- Conciliation Agreement

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Mark Charles Helmke

MUR: 4331

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained 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, and (3) to knowingly accept such a contribution.

The Act addresses violations of law that are knowing and willful. See 2 U.S.C. §§ 437g(a)(5)(B) and 437g(d). The phrase "knowing and willful" indicates that "actions [were] taken with full knowledge of all of the facts and a recognition that the action is prohibited by law." 122 Cong. Rec. H3778 (daily ed. May 3, 1976).

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

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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)).

During the relevant times, Mark Charles Helmke was an officer at Robinson, Lake, Lerer & Montgomery, Inc., d/b/a Robinson Lake Sawyer Miller ("RLSM"). In March 1994, Mr. Helmke was solicited by James Howard Lake, an officer at RLSM, to make an individual contribution in the amount of \$1,000 to the Henry Espy for Congress campaign committee ("the Committee"). Mr. Lake promised Mr. Helmke that he would be fully reimbursed for his contribution. Sometime in March 1994, Mr. Helmke made a \$1,000 contribution to the Committee and accepted a \$1,000 personal check from Mr. Lake as reimbursement for this contribution.

Mark Charles Helmke has admitted to making a contribution to the Committee with the understanding that he would be reimbursed by James H. Lake. The evidence indicates that at the time Mr. Helmke was asked to make the contribution, he knew that it was illegal and a violation of the Act.

Therefore, there is reason to believe that Mark Charles Helmke knowingly and willfully violated 2 U.S.C. § 441f.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 1, 1996

Leslie Gordon Fagen, Esq.
Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, NY 10019-6064

RE: MUR 4331
Robinson, Lake, Lerer & Montgomery, Inc.,
d/b/a Robinson Lake Sawyer Miller

Dear Mr. Fagen:

On March 26, 1996, the Federal Election Commission found that there is reason to believe Robinson, Lake, Lerer & Montgomery, Inc., d/b/a Robinson Lake Sawyer Miller, knowingly and willfully 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. Please note that two parties are named in this agreement: your client, Robinson, Lake, Lerer & Montgomery, Inc., d/b/a Robinson Lake Sawyer Miller, and Bozell Worldwide, Inc. The two parties have been included in the same agreement because of their close association and participation in this matter. If you have any objections regarding this arrangement, please note them in your response.

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation and if your clients 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

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cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

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

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

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 Andersen, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,



Lee Ann Elliott
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Conciliation Agreement

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Robinson, Lake, Lerer & Montgomery, Inc., MUR: 4331
d/b/a Robinson Lake Sawyer Miller
Bozell Worldwide, Inc.

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities.

See 2 U.S.C. § 437g(a)(2).

Pursuant to 2 U.S.C. § 441b(a) of the Federal Election Campaign Act of 1971, as amended ("the Act"), 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 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

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help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f and 11 C.F.R. § 110.4(b)(1)(iii).

The Act addresses violations of law that are knowing and willful. See 2 U.S.C. §§ 437g(a)(5)(B) and 437g(d). The phrase “knowing and willful” indicates that “actions [were] taken with full knowledge of all of the facts and a recognition that the action is prohibited by law.” 122 Cong. Rec. H3778 (daily ed. May 3, 1976).

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)).

During the relevant times, James Howard Lake was chairman of the board of directors of Robinson, Lake, Lerer & Montgomery, Inc., d/b/a Robinson Lake Sawyer Miller (“RLSM”), and

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in charge of the firm's Washington offices. RLSM's primary business is lobbying and public relations. One of RLSM's clients in 1993 and 1994, and for many years previous, was Sun-Diamond Growers of California ("Sun-Diamond"), a corporation with headquarters in Pleasanton, California. Sun-Diamond's senior vice-president in charge of corporate affairs is Richard Douglas. Mr. Douglas was responsible for Sun-Diamond's Washington, D.C.-based political and lobbying activities and for administering the corporation's political contributions. Mr. Lake was listed on Sun-Diamond's organizational chart as having responsibility for Sun-Diamond's Washington office. Richard Douglas maintained an office at RLSM's offices in Washington, D.C.

In January 1993, President Clinton appointed Mississippi Congressman Michael Espy as Secretary of Agriculture. His brother Henry Espy ran unsuccessfully in a special primary election in March 1993 for the congressional seat vacated by Michael Espy. Henry Espy's campaign committee, Henry Espy for Congress ("the Committee"), incurred debts of over \$75,000. In early March 1994, Richard Douglas told James Howard Lake that Mr. Douglas' friend Michael Espy wanted help in raising money to retire Henry Espy's campaign debt. They agreed that Mr. Lake, and four other individuals whom Mr. Lake would solicit from RLSM, would each write a check for \$1,000 to the Committee, to be reimbursed by Sun-Diamond. The money was to be funneled from Sun-Diamond through RLSM to James Howard Lake by means of a false expense item for a \$5,000 entertainment contribution to the "Joint Center Dinner," an annual dinner held by the Joint Center for Political and Economic studies. RLSM was to submit an expense voucher to Sun-Diamond itemizing the expenditure, to be approved by Mr. Douglas for payment by Sun-Diamond.

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James Howard Lake wrote a check for \$1,000 to the Committee and requested and obtained \$1,000 checks from three RLSM officers. When Mr. Lake was unable to secure a fifth person to participate in the scheme, he forwarded the four checks, totaling \$4,000, to Richard Douglas, who deposited them in a bank account in the name of "Henry Espy for Congress."

On March 11, 1994, James Howard Lake caused a billable expense report to be sent to RLSM's parent corporation, Bozell Worldwide, Inc. ("Bozell"), requesting reimbursement to him of \$5,000 for the purchase of a purported ticket to the Joint Center Dinner. The evidence indicates that James Howard Lake requested and received reimbursement for his expenses from Bozell in the ordinary course of business. On March 14, 1994, Bozell transmitted a check for \$5,000 to James Howard Lake as reimbursement for the listed dinner expense. Sometime between March 10 and March 24, 1994, James Howard Lake reimbursed the three RLSM officers by writing each of them a personal check in the amount of \$1,000. He reimbursed himself for his own \$1,000 contribution and kept the remaining \$1,000. RLSM included the dinner expense in its invoice for services to Sun-Diamond, dated April 26, 1994. Sun-Diamond then sent a check to RLSM in full payment for the April 1994 bill, which included reimbursement for the non-existent dinner expense. The \$5,000 reimbursement was eventually transferred back to Bozell.

Sun-Diamond's reimbursement of the individual contributions by means of the \$5,000 payment from Bozell to James Howard Lake for the Joint Center dinner, and then from Sun-Diamond to RLSM and back to Bozell, constituted an unlawful corporate contribution from Sun-Diamond to the Committee in violation of 2 U.S.C. § 441b(a). Mr. Lake has entered into an

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agreement with the Office of Independent Counsel, In re Secretary of Agriculture Egan, which states that he knew it was illegal for Sun-Diamond to make corporate contributions in connection with a federal election and that it was illegal for him to circumvent individual contribution limits by making contributions in the names of other persons. RLSM, James Howard Lake's corporation, has agreed that it is liable for Mr. Lake's actions.

Therefore, there is reason to believe that Robinson, Lake, Lerer & Montgomery, Inc., d/b/a Robinson Lake Sawyer Miller, and Bozell Worldwide, Inc., through James Howard Lake, knowingly and willfully violated 2 U.S.C. § 441f.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 1, 1996

**Charles H. Miller, Esq.
Loeb and Loeb
345 Park Avenue
New York, NY 10154-0037**

**RE: MUR 4331
Bozell Worldwide, Inc.**

Dear Mr. Miller:

On March 26, 1996, the Federal Election Commission found that there is reason to believe Bozell Worldwide, Inc., knowingly and willfully 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. Please note that two parties are named in this agreement: your client, Bozell Worldwide, Inc., and Robinson, Lake, Lerer & Montgomery, Inc., d/b/a Robinson Lake Sawyer Miller. The two parties have been included in the same agreement because of their close association and participation in this matter. If you have any objections regarding this arrangement, please note them in your response.

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation and if your clients 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

Celebrating the Commission's 20th Anniversary

YESTERDAY. TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

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cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

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

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

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 Andersen, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,



Lee Ann Elliott
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Conciliation Agreement

96043742215

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Robinson, Lake, Lerer & Montgomery, Inc., **MUR: 4331**
d/b/a Robinson Lake Sawyer Miller
Bozell Worldwide, Inc.

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities.

See 2 U.S.C. § 437g(a)(2).

Pursuant to 2 U.S.C. § 441b(a) of the Federal Election Campaign Act of 1971, as amended ("the Act"), 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.

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 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

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help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f and 11 C.F.R. § 110.4(b)(1)(iii).

The Act addresses violations of law that are knowing and willful. See 2 U.S.C. §§ 437g(a)(5)(B) and 437g(d). The phrase "knowing and willful" indicates that "actions [were] taken with full knowledge of all of the facts and a recognition that the action is prohibited by law." 122 Cong. Rec. H3778 (daily ed. May 3, 1976).

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)).

During the relevant times, James Howard Lake was chairman of the board of directors of Robinson, Lake, Lerer & Montgomery, Inc., d/b/a Robinson Lake Sawyer Miller ("RLSM"), and

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in charge of the firm's Washington offices. RLSM's primary business is lobbying and public relations. One of RLSM's clients in 1993 and 1994, and for many years previous, was Sun-Diamond Growers of California ("Sun-Diamond"), a corporation with headquarters in Pleasanton, California. Sun-Diamond's senior vice-president in charge of corporate affairs is Richard Douglas. Mr. Douglas was responsible for Sun-Diamond's Washington, D.C.-based political and lobbying activities and for administering the corporation's political contributions. Mr. Lake was listed on Sun-Diamond's organizational chart as having responsibility for Sun-Diamond's Washington office. Richard Douglas maintained an office at RLSM's offices in Washington, D.C.

In January 1993, President Clinton appointed Mississippi Congressman Michael Espy as Secretary of Agriculture. His brother Henry Espy ran unsuccessfully in a special primary election in March 1993 for the congressional seat vacated by Michael Espy. Henry Espy's campaign committee, Henry Espy for Congress ("the Committee"), incurred debts of over \$75,000. In early March 1994, Richard Douglas told James Howard Lake that Mr. Douglas' friend Michael Espy wanted help in raising money to retire Henry Espy's campaign debt. They agreed that Mr. Lake, and four other individuals whom Mr. Lake would solicit from RLSM, would each write a check for \$1,000 to the Committee, to be reimbursed by Sun-Diamond. The money was to be funneled from Sun-Diamond through RLSM to James Howard Lake by means of a false expense item for a \$5,000 entertainment contribution to the "Joint Center Dinner," an annual dinner held by the Joint Center for Political and Economic studies. RLSM was to submit an expense voucher to Sun-Diamond itemizing the expenditure, to be approved by Mr. Douglas for payment by Sun-Diamond.

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James Howard Lake wrote a check for \$1,000 to the Committee and requested and obtained \$1,000 checks from three RLSM officers. When Mr. Lake was unable to secure a fifth person to participate in the scheme, he forwarded the four checks, totaling \$4,000, to Richard Douglas, who deposited them in a bank account in the name of "Henry Espy for Congress."

On March 11, 1994, James Howard Lake caused a billable expense report to be sent to RLSM's parent corporation, Bozell Worldwide, Inc. ("Bozell"), requesting reimbursement to him of \$5,000 for the purchase of a purported ticket to the Joint Center Dinner. The evidence indicates that James Howard Lake requested and received reimbursement for his expenses from Bozell in the ordinary course of business. On March 14, 1994, Bozell transmitted a check for \$5,000 to James Howard Lake as reimbursement for the listed dinner expense. Sometime between March 10 and March 24, 1994, James Howard Lake reimbursed the three RLSM officers by writing each of them a personal check in the amount of \$1,000. He reimbursed himself for his own \$1,000 contribution and kept the remaining \$1,000. RLSM included the dinner expense in its invoice for services to Sun-Diamond, dated April 26, 1994. Sun-Diamond then sent a check to RLSM in full payment for the April 1994 bill, which included reimbursement for the non-existent dinner expense. The \$5,000 reimbursement was eventually transferred back to Bozell.

Sun-Diamond's reimbursement of the individual contributions by means of the \$5,000 payment from Bozell to James Howard Lake for the Joint Center dinner, and then from Sun-Diamond to RLSM and back to Bozell, constituted an unlawful corporate contribution from Sun-Diamond to the Committee in violation of 2 U.S.C. § 441b(a). Mr. Lake has entered into an

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agreement with the Office of Independent Counsel, In re Secretary of Agriculture Espy, which states that he knew it was illegal for Sun-Diamond to make corporate contributions in connection with a federal election and that it was illegal for him to circumvent individual contribution limits by making contributions in the names of other persons. RLSIM, James Howard Lake's corporation, has agreed that it is liable for Mr. Lake's actions.

Therefore, there is reason to believe that Robinson, Lake, Lerer & Montgomery, Inc., d/b/a Robinson Lake Sawyer Miller, and Bozell Worldwide, Inc., through James Howard Lake, knowingly and willfully violated 2 U.S.C. § 441f.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 1, 1996

William C. Oldaker, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Ave., N.W.
Suite 1100
Washington, DC 20006

RE: MUR 4331
James Howard Lake
Michael B. Lake
James C. Lake, Jr.

Dear Mr. Oldaker:

On March 26, 1996, the Federal Election Commission found that there is reason to believe James Howard Lake knowingly and willfully violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). Also on March 26, 1996, the Commission found that there is reason to believe Michael B. Lake and James C. Lake, Jr. violated 2 U.S.C. § 441f. The Factual and Legal Analyses, which formed a basis for the Commission's findings, are attached for your information.

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

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 are conciliation agreements that the Commission has approved.

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

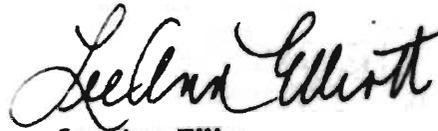
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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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 Andersen, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,



Lee Ann Elliott
Chairman

- Enclosures
Factual and Legal Analyses (3)
Procedures
Conciliation Agreements (3)

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: James Howard Lake

MUR: 4331

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities.

See 2 U.S.C. § 437g(a)(2).

Pursuant to 2 U.S.C. § 441b(a) of the Federal Election Campaign Act of 1971, as amended ("the Act"), 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 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

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help or assist any person in making a contribution in the name of another. 11 C.F.R.

§ 110.4(b)(1)(iii).

The Act addresses violations of law that are knowing and willful. See 2 U.S.C. §§ 437g(a)(5)(B) and 437g(d). The phrase "knowing and willful" indicates that "actions [were] taken with full knowledge of all of the facts and a recognition that the action is prohibited by law." 122 Cong. Rec. H3778 (daily ed. May 3, 1976).

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)).

During the relevant times, James Howard Lake was chairman of the board of directors of Robinson, Lake, Lerer & Montgomery, Inc., d/b/a Robinson Lake Sawyer Miller ("RLSM"), and

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in charge of the firm's Washington offices. RLSM's primary business is lobbying and public relations. One of RLSM's clients in 1993 and 1994, and for many years previous, was Sun-Diamond Growers of California ("Sun-Diamond"), a corporation with headquarters in Pleasanton, California. Sun-Diamond's senior vice-president in charge of corporate affairs is Richard Douglas. Mr. Douglas was responsible for Sun-Diamond's Washington, D.C.-based political and lobbying activities and for administering the corporation's political contributions. Mr. Lake was listed on Sun-Diamond's organizational chart as having responsibility for Sun-Diamond's Washington office. Richard Douglas maintained an office at RLSM's offices in Washington, D.C.

In January 1993, President Clinton appointed Mississippi Congressman Michael Espy as Secretary of Agriculture. His brother Henry Espy ran unsuccessfully in a special primary election in March 1993 for the congressional seat vacated by Michael Espy. Henry Espy's campaign committee, Henry Espy for Congress ("the Committee"), incurred debts of over \$75,000. In early March 1994, Richard Douglas told James Howard Lake that Mr. Douglas' friend Michael Espy wanted help in raising money to retire Henry Espy's campaign debt. They agreed that Mr. Lake, and four other individuals whom Mr. Lake would solicit from RLSM, would each write a check for \$1,000 to the Committee, to be reimbursed by Sun-Diamond. The money was to be funneled from Sun-Diamond through RLSM to James Howard Lake by means of a false expense item for a \$5,000 entertainment contribution to the "Joint Center Dinner," an annual dinner held by the Joint Center for Political and Economic studies. RLSM was to submit an expense voucher to Sun-Diamond itemizing the expenditure, to be approved by Mr. Douglas for payment by Sun-Diamond.

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James Howard Lake wrote a check for \$1,000 to the Committee and requested and obtained \$1,000 checks from three RLSM officers. When Mr. Lake was unable to secure a fifth person to participate in the scheme, he forwarded the four checks, totaling \$4,000, to Richard Douglas, who deposited them in a bank account in the name of "Henry Espy for Congress."

On March 11, 1994, James Howard Lake caused a billable expense report to be sent to RLSM's parent corporation, Bozell Worldwide, Inc. ("Bozell"), requesting reimbursement to him of \$5,000 for the purchase of a purported ticket to the Joint Center Dinner. On March 14, 1994, Bozell transmitted a check for \$5,000 to James Howard Lake as reimbursement for the listed dinner expense. Sometime between March 10 and March 24, 1994, James Howard Lake reimbursed the three RLSM officers by writing each of them a personal check in the amount of \$1,000. He reimbursed himself for his own \$1,000 contribution and kept the remaining \$1,000. RLSM included the dinner expense in its invoice for services to Sun-Diamond, dated April 26, 1994. Sun-Diamond then sent a check to RLSM in full payment for the April 1994 bill, which included reimbursement for the non-existent dinner expense. The \$5,000 reimbursement was eventually transferred back to Bozell.

Sun-Diamond's reimbursement of the individual contributions by means of the \$5,000 payment from Bozell to James Howard Lake for the Joint Center dinner, and then from Sun-Diamond to RLSM, constituted an unlawful corporate contribution from Sun-Diamond to the Committee in violation of 2 U.S.C. § 441b(a). By permitting his name to be used to effect a contribution and by soliciting RLSM employees to participate by making individual contributions for which they were reimbursed, James Howard Lake violated 2 U.S.C. § 441f.

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Mr. Lake has entered into an agreement with the Office of Independent Counsel, in re Secretary of Agriculture Espy, which states that he knew it was illegal for Sun-Diamond to make corporate contributions in connection with a federal election and that it was illegal for him to circumvent individual contribution limits by making contributions in the names of other persons.

Based on the foregoing, there is reason to believe that James Howard Lake knowingly and willfully violated 2 U.S.C. § 441f.

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Michael B. Lake

MUR: 4331

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained 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, and (3) to knowingly accept such a contribution.

During the relevant times, Michael B. Lake was an officer at Robinson, Lake, Lerer & Montgomery, Inc., d/b/a Robinson Lake Sawyer Miller ("RLSM"). In March 1994, Michael B. Lake was solicited by James Howard Lake, his father and an officer at RLSM, to make an individual contribution in the amount of \$1,000 to the Henry Espy for Congress campaign committee ("the Committee"). James Howard Lake promised Michael B. Lake that he would be fully reimbursed for his contribution. Sometime in March 1994, Michael B. Lake made a \$1,000 contribution to the Committee and accepted a \$1,000 personal check from James Howard Lake as reimbursement for this contribution.

Michael B. Lake has admitted that he made a campaign contribution to the Committee at the request of his father James Howard Lake. He also stated that he was reimbursed in full by his father. Accordingly, he knowingly permitted his name to be used to effect a contribution.

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

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: James C. Lake, Jr.

MUR: 4331

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained 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, and (3) to knowingly accept such a contribution.

During the relevant times, James C. Lake, Jr. was an officer at Robinson, Lake, Lerer & Montgomery, Inc., d/b/a Robinson Lake Sawyer Miller ("RLSM"). In March 1994, James C. Lake, Jr. was solicited by James Howard Lake, his father and an officer at RLSM, to make an individual contribution in the amount of \$1,000 to the Henry Espy for Congress campaign committee ("the Committee"). James Howard Lake promised James C. Lake, Jr. that he would be fully reimbursed for his contribution. Sometime in March 1994, James C. Lake, Jr. made a \$1,000 contribution to the Committee and accepted a \$1,000 personal check from James Howard Lake as reimbursement for this contribution. Accordingly, he knowingly permitted his name to be used to effect a contribution.

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

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IN RE THE FEDERAL ELECTION COMMISSION
MATTER UNDER REVIEW 4331

MARK CHARLES HELMKE

District of Columbia) ss:

AFFIDAVIT OF MARK CHARLES HELMKE

Mark Charles Helmke, on his oath, deposes and says as follows:

1. I am the respondent in MUR 4331. I have personal knowledge of the matters set forth in this Affidavit unless otherwise indicated.

2. I submit this affidavit pursuant to the invitation of Chairman Lee Ann Elliott in her letter of April 1, 1996, to my counsel, William B. Canfield, III, Esq. I request that the Commission keep my affidavit confidential in accordance with the first paragraph on page two (2) of Chairman Elliott's letter to my counsel.

3. My purpose in submitting this additional information is to make sure that the Federal Election Commission ("the Commission") has a full and fair understanding of the factual circumstances surrounding my violation of the Federal Election Campaign Act of 1971 ("the Act") in accepting reimbursement from my direct supervisor for a political contribution to the Henry Espy for Congress Campaign Committee ("the Committee") in March, 1994. In providing this affidavit to the Commission, it is also my intention that the Commission have a complete understanding of the factual circumstances surrounding this contribution in order that the Commission's Factual and Legal Analysis in this MUR fully reflect the factual predicate for my contribution to the Committee.

4. During the relevant times relating to this Matter Under Review, I was an officer at the firm of Robinson, Lake, Sawyer, Miller ("RLSM"), and James Howard Lake was not only a principal of RLSM but also my immediate supervisor. During the relevant times, Mr. Lake, as a principal at RLSM and my immediate supervisor, had the unique ability to exercise great discretion over the terms and conditions of my current and future employment at RLSM.

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5. At the time that I was solicited by Mr. Lake to make a personal contribution to the Committee in the amount of \$1,000.00, I was informed by Mr. Lake that a major client of RLSM, Sun Diamond Brands, Inc. ("the Client"), had requested that Mr. Lake solicit colleagues, associates and friends to make contributions to the Committee. I knew from my own personal knowledge of the business relationship between RLSM and the Client that RLSM was, at that time, facing the possibility that the Client would not renew our existing contract for Washington representation. I also knew, from my own personal knowledge of the financial condition and business activities of RLSM, that it was of major importance to Mr. Lake that this contract be renewed at the earliest possible date.

6. At the time that this contribution was solicited by Mr. Lake, I was informed by Mr. Lake that the Client had requested that his colleagues, associates and friends be solicited to make personal contributions to the Committee and that such contributions would be favorably regarded by the Client when its contract with RLSM was up for renegotiation.

7. At the time that this contribution was solicited by Mr. Lake, I was informed by Mr. Lake that he would personally reimburse me for the amount of the contribution which I would make to the Committee.

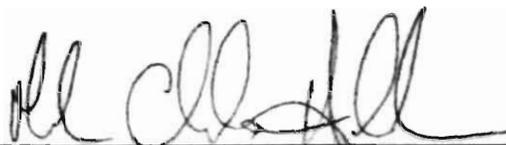
8. Prior to the time that I was solicited by Mr. Lake to make the contribution at issue in this MUR, my personal experience as a contributor to federal candidates and committees was extremely limited. The record of my federal contributions, which is available to the Commission, will demonstrate that I have not been politically active either as a conduit or contributor of federal contributions.

9. At the time that this contribution was solicited by Mr. Lake and made by me, I knew that a reimbursement by Mr. Lake of the contribution was a violation of the Act. Notwithstanding my knowledge that the reimbursement of this contribution was a violation of law, I felt compelled, because of Mr. Lake's unique role in the determination of the terms and conditions of my current and future employment with RLSM, to agree to his request for a contribution to the Committee and, quite frankly, to accept his reimbursement of that contribution. I regret that I made the decision to make this contribution and accept Mr. Lake's reimbursement but, given Mr. Lake's unique role in the course of my career at RLSM, I felt compelled to honor his request, notwithstanding my knowledge that such an arrangement was a violation of law. It was my considered judgment, at the time of this solicitation, that I had no viable alternative but to agree to Mr. Lake's request given (a) my position at RLSM at that time and (b) Mr. Lake's direct supervision over my employment with the firm.

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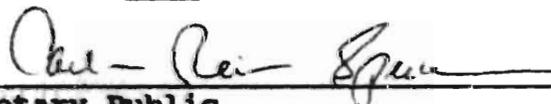
10. In late July, 1995, concerned about the ramifications of this contribution, I contacted counsel about the legality of this contribution and its reimbursement by Mr. Lake. On July 28, 1995, acting upon the advice of counsel, I refunded the reimbursed contribution, directly to Mr. Lake, via my personal check in the amount of \$1,000.00. A copy of that refund check and my cover letter to Mr. Lake is attached hereto and made a part of this Affidavit.

11. I acknowledge and take personal responsibility for this violation of the Act. The violation at issue in this MUR was unique to these facts. I have not engaged previously in other violations of the Act and hereby affirm that I will not do so in the future.



Mark Charles Helke

Subscribed and sworn to before
me this 24 day of April, 1996



Notary Public
District of Columbia
My Commission Expires: _____

CARLA REWMANN SPECK
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires June 30, 1997

WAS-160117/47517.1

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MARK HELMIKE

**"STONE SOUP"
900 QUAKER LANE
ALEXANDRIA
VIRGINIA
22302**

July 28, 1995

James H. Lake
Robinson Lake Sawyer Miller
1501 M St., NW Suite 600
Washington, DC 20005

Dear Jim:

In March 1994, you gave me a personal check for \$1,000 in return for my contribution of the same amount to the Henry Epsy for Congress campaign fund. I should not have received payment from you, and I am returning the funds to you by the attached check.

Sincerely,

Mark Helmike

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MARK C. HELMIKE 0-00		2256
SUE A. STONE-HELMIKE		
900 QUAKER LANE		
ALEXANDRIA, VA 22302		
PAY TO THE ORDER OF <u>James H. Lake</u>		28 July 1995
<u>One thousand and 00/100</u>		\$1,000.00
		DOLLARS
THE PALMER NATIONAL BANK		<u>dl Cash</u>
1007 B STREET, N.W.		
WASHINGTON, D.C. 20005		

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
James Howard Lake)
Michael B. Lake)
James C. Lake, Jr.)
Mark Charles Helmke)

MAY 26 3 51 PM '96
MUR 4331

SENSITIVE

GENERAL COUNSEL'S REPORT

I. **BACKGROUND**

This matter was generated based on a referral from the Office of Independent Council, In re Secretary of Agriculture Espy, received by the Commission on October 27, 1995.¹

A. James Howard Lake, Michael C. Lake and James C. Lake, Jr.

On March 26, 1996, the Commission found reason to believe that James Howard Lake ("Mr. Lake") knowingly and willfully violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution, and by knowingly assisting in the making of contributions in the name of another. At the same time, the Commission determined to enter into preprobable cause conciliation and approved a proposed conciliation agreement

The Commission also found reason to believe that Mr. Lake's two sons, Michael B. Lake and James C. Lake, Jr., each violated 2 U.S.C. § 441f by knowingly permitting their names to be used to effect a contribution. At the same time, the Commission determined to enter into preprobable cause conciliation with each of them and approved proposed conciliation agreements

¹ In addition to the respondents captioned above, this Office is engaged in conciliation negotiations with two other respondents in this matter.

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this Office received the attached counterproposed agreement signed by Counsel, which encompasses all three respondents and includes a civil penalty in the amount of \$9,000. Attachment 1. A civil penalty check has not yet been received.

B. Mark Charles Helmke

On March 26, 1996, the Commission found reason to believe that Mark Charles Helmke knowingly and willfully violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the amount of \$1,000. At the same time, the Commission determined to enter into preprobable cause conciliation and approved a proposed conciliation agreement

After discussions with Mr. Helmke's counsel, this Office received the attached conciliation agreement signed by Mr. Helmke, Attachment 2, along with a check in the amount of the proposed civil penalty, \$1,700. Attachment 3.

II. DISCUSSION

A. James Howard Lake, Michael C. Lake and James C. Lake, Jr.

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Accordingly, this Office recommends that the Commission accept the counterproposed conciliation agreement from James Howard Lake, Michael B. Lake and James C. Lake, Jr., and close the file with respect to these respondents.

B. Mark Charles Helmke

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Accordingly, this Office recommends that
the Commission accept the attached agreement and close the file with respect to this respondent.

Attachment 2.

III. RECOMMENDATIONS

1. Accept the attached signed conciliation agreement with James Howard Lake, Michael B. Lake and James C. Lake, Jr. and close the file with respect to these respondents.

- 2. **Accept the attached signed conciliation agreement with Mark Charles Helmke and close the file with respect to this respondent.**
- 3. **Approve the appropriate letters.**

Lawrence M. Noble
General Counsel

5/20/96
Date

BY:


Lois G. Lerner
Associate General Counsel

Attachments:

- 1. **Counterproposed conciliation agreement signed on behalf of James Howard Lake, Michael B. Lake and James C. Lake, Jr., received May 3, 1996**
- 2. **Revised conciliation agreement signed by Mark Charles Helmke, received April 26, 1996**
- 3. **Photocopy of civil penalty check signed by Mark Charles Helmke, received April 26, 1996**

Staff Assigned: Thomas J. Andersen

96043742238

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
James Howard Lake;)	MUR 4331
Michael B. Lake;)	
James C. Lake, Jr.;)	
Mark Charles Helmke.)	

CERTIFICATION

I, Marjorie W. Emons, Secretary of the Federal Election Commission, do hereby certify that on May 24, 1996, the Commission decided by a vote of 5-0 to take the following actions in MUR 4331:

1. Accept the signed conciliation agreement with James Howard Lake, Michael B. Lake and James C. Lake, Jr. and close the file with respect to these respondents, as recommended in the General Counsel's Report dated May 20, 1996.
2. Accept the signed conciliation agreement with Mark Charles Helmke and close the file with respect to this respondent.
3. Approve the appropriate letters, as recommended in the General Counsel's Report dated May 20, 1996.

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

Attest:

5-28-96
Date

Marjorie W. Emons
Marjorie W. Emons
Secretary of the Commission

Received in the Secretariat:	Mon.,	May 20, 1996	3:47 p.m.
Circulated to the Commission:	Tues.,	May 21, 1996	11:00 a.m.
Deadline for vote:	Fri.,	May 24, 1996	4:00 p.m.

bjr

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 7, 1996

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

RE: MUR 4331
James Howard Lake
Michael B. Lake
James C. Lake, Jr.

Dear Mr. Oldaker:

On May 24, 1996, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of violations of 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to James Howard Lake, Michael B. Lake and James C. Lake, Jr.

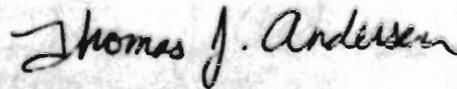
This matter will become public within 30 days after it has been closed with respect to all other respondents involved. Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter. The Commission will notify you when the entire file has been closed.

96043742240

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
Attorney

Enclosure
Conciliation Agreement

96043742241

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
James Howard Lake) MUR 4331
Michael B. Lake)
James C. Lake, Jr.)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2). The Commission found reason to believe that James Howard Lake knowingly and willfully violated 2 U.S.C. § 441f of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Michael B. Lake and James C. Lake, Jr. (together with James Howard Lake are the "Respondents") violated 2 U.S.C. § 441f of the Act.

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

- I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(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. Respondents James Howard Lake, Michael B. Lake and James C. Lake, Jr., are individual contributors.

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2. 2 U.S.C. § 441f provides that no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. No person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f.

3. The Act addresses violations of the law that are knowing and willful. 2 U.S.C. §§ 437g(a)(5)(B) and 437g(d).

4. During the relevant times, Respondent James Howard Lake was a partner and chairman of the board of directors of Robinson, Lerer, Lake & Montgomery, d/b/a Robinson Lake Sawyer Miller ("RLSM").

5. During the relevant times, Respondents Michael B. Lake and James C. Lake, Jr., were officers at RLSM.

6. In March 1994, Respondent James Howard Lake and an officer of Sun-Diamond Growers of California ("Sun-Diamond") agreed that James Howard Lake and four other individuals, whom James Howard Lake would solicit from RLSM, would each write a check to the Henry Espy for Congress campaign committee ("the Committee"), to be reimbursed by Sun-Diamond. The money was to be funneled from Sun-Diamond through RLSM to James Howard Lake by means of a false expense item for a \$5,000 entertainment contribution to the "Joint Center Dinner," an annual dinner held by the Joint Center for Political and Economic Studies. RLSM was to submit an expense voucher to Sun-Diamond itemizing the expenditure, to be approved for payment by Sun-Diamond.

7. Respondent James Howard Lake solicited four employees at RLSM, including Respondents Michael B. Lake and James C. Lake, Jr., to donate money to the Committee and promised to reimburse the contributions. Three of these employees, including Michael B. Lake and James C. Lake, Jr., contributed \$1,000 each to the Committee. James Howard Lake transferred four checks totaling \$4,000, which included his own contribution of \$1,000 and those of Michael B. Lake and James C. Lake, Jr., to the Sun-Diamond officer, to be deposited in the Committee's bank account.

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8. On March 11, 1994, Respondent James Howard Lake caused a billable expense report to be sent to RLSM's parent corporation, Bozell Worldwide, Inc. ("Bozell"), requesting reimbursement to him of \$5,000 for the purchase of a purported ticket to the Joint Center Dinner. On March 14, 1994, Bozell transmitted a check for \$5,000 to James Howard Lake as reimbursement for the listed dinner expense.

9. Sometime between March 10 and March 24, 1994, Respondent James Howard Lake reimbursed the three RLSM employees, including Respondents Michael B. Lake and James C. Lake, Jr., by writing each of them a personal check in the amount of \$1,000. James Howard Lake reimbursed himself for his own \$1,000 contribution and kept the remaining \$1,000. RLSM included the item in its invoice for services to Sun-Diamond, which then sent a check to RLSM, covering the non-existent dinner expense.

V. 1. Respondent James Howard Lake knowingly and willfully violated 2 U.S.C. § 441f by assisting in the making of contributions in the name of another, and by permitting his name to be used to effect a contribution.

2. Respondents Michael B. Lake and James C. Lake, Jr., violated 2 U.S.C. §441f by permitting their names to be used to effect a contribution.

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of nine thousand dollars (\$9,000), pursuant to 2 U.S.C. § 437g(a)(5).

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.

9604374244

X. This Conciliation Agreement constitutes the entire between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

6/7/96
Date

FOR THE RESPONDENT:


William C. Oldaker
Oldaker, Ryan, Phillips & Utrecht

May 3, 1996
Date

96043742245



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 7, 1996

William B. Canfield, III, Esq.
Holland & Knight
2100 Pennsylvania Avenue, N.W.
Suite 400
Washington, D.C. 20037-3202

RE: MUR 4331
Mark Charles Helmke

Dear Mr. Canfield:

On May 24, 1996, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to Mark Charles Helmke.

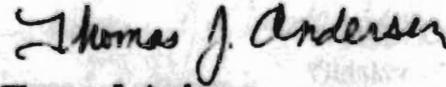
This matter will become public within 30 days after it has been closed with respect to all other respondents involved. Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter. The Commission will notify you when the entire file has been closed.

96043742247

Enclosed you will find a copy of the fully executed conciliation agreement for your files.
If you have any questions, please contact me at (202) 219-3690.

Sincerely,



Thomas J. Andersen
Attorney

Enclosure
Conciliation Agreement



96043742248

The first... commission accepted the... 2003... by...
... for other to benefit settlement of violations of 2 U.S.C. § 441f... submitted...
... Campaign Act of 1971, as amended. Accordingly, the... provision of the Fed...
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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 4331
Mark Charles Helmke)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2). The Commission found reason to believe that Mark Charles Helmke ("Respondent") knowingly and willfully violated 2 U.S.C. § 441f of the Federal Election Campaign Act of 1971, as amended ("the Act").

NOW, THEREFORE, the Commission and the Respondent, 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 the Respondent 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. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

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

1. Respondent Mark Charles Helmke is an individual contributor.
2. 2 U.S.C. § 441f provides that no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution.

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3. The Act addresses violations of the law that are knowing and willful.

2 U.S.C. §§ 437g(a)(5)(B) and 437g(d).

4. During the relevant times, Respondent was an officer at Robinson, Lerer, Lake & Montgomery, d/b/a Robinson Lake Sawyer Miller ("RLSM"). During the relevant times, James Howard Lake ("Mr. Lake") was both an officer of RLSM and the Respondent's immediate supervisor.

5. On March 10, 1994, Respondent was solicited by Mr. Lake to make an individual contribution in the amount of \$1,000 to the Henry Espy for Congress campaign committee (the "Committee"). Respondent contends that on that occasion, Mr. Lake informed Respondent that a major client of RLSM had informed Mr. Lake that contributions to the Committee by colleagues, associates and friends of Mr. Lake would be favorably regarded by the client when it came time to review its contractual arrangement with RLSM. Mr. Lake promised Respondent that he would be fully reimbursed for his contribution.

6. On March 11, 1994, Respondent made a \$1,000 contribution to the Committee. Thereafter, Respondent accepted a \$1,000 personal check from Mr. Lake as reimbursement for this contribution. At the time Respondent made the contribution and received reimbursement from Mr. Lake, he knew such conduct was a violation of the Act. On July 28, 1995, acting upon advice of counsel, Respondent refunded, directly to Mr. Lake, the sum of \$1,000 which represented the \$1,000 previously reimbursed to the Respondent by Mr. Lake.

7. Respondent contends that, during the relevant times, Mr. Lake, as Respondent's immediate supervisor and a principal in RLSM, had the ability to exercise great influence over the terms and conditions of Respondent's employment at RLSM. Respondent

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contends that he decided to make the contribution only after considering its importance not only to his direct supervisor, Mr. Lake, but also to his company's client and to the future of his employment relationship with RLSM.

V. Respondent knowingly and willfully violated 2 U.S.C. § 441f by permitting his name to be used to effect a contribution.

VI. Respondent has paid a civil penalty to the Federal Election Commission in the amount of one-thousand seven-hundred dollars (\$1,700), pursuant to 2 U.S.C. § 437g(a)(5)(B).

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. Respondent 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.

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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.

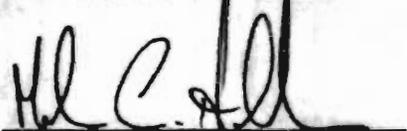
FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

6/7/96
Date

FOR THE RESPONDENT:


(Name)
(Position)

April 25, 1996
Date

96043742252

96043742253

MARK C. HELMKE
SUE A. STONE-HELMKE
909 QUAKER LANE
ALEXANDRIA VA 22302

2860

DATE April 25, 1986 15-155
540
30004179

PAY TO THE
ORDER OF

Frederick State Commission \$1,700.00
One Thousand Seven Hundred and 00/100 DOLLARS

THE PALMER NATIONAL BANK
1867 K STREET N.W.
WASHINGTON D.C. 20006

[Signature]

MEMO

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

In the Matter of)
) MUR 4331
Robinson, Lake, Lerer and Montgomery, d/b/a)
Robinson Lake Sawyer Miller)
Bozell Worldwide, Inc.)

JUN 10 4 21 PM '96

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter was generated based on a referral from the Office of Independent Counsel, In re Secretary of Agriculture Espy ("Independent Counsel"), received by the Commission on October 27, 1995.

On March 26, 1996, the Commission found reason to believe that Robinson, Lake, Lerer & Montgomery, d/b/a Robinson Lake Sawyer Miller ("RLSM") and its parent, Bozell Worldwide, Inc. ("Bozell") knowingly and willfully violated 2 U.S.C. § 441f of the Federal Election Campaign Act of 1971, as amended ("the Act"), by knowingly assisting in the making of campaign contributions in the name of another. At the same time, the Commission determined to enter into preprobable cause conciliation and approved one proposed conciliation agreement for both respondents, with a civil penalty of \$8,000.¹

On May 13, 1996, staff from this Office met with counsel for RLSM and Bozell. On June 4, 1996, following several negotiation discussions, this Office received the attached counterproposed agreement signed by counsel for RLSM, Attachment 1, along with a civil penalty check in the amount of \$8,000. Attachment 2.

¹ The Commission has accepted conciliation agreements from all other respondents in this matter.

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I. DISCUSSION

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RLSM has paid the full amount of the original civil penalty approved by the Commission, \$8,000. Attachment 2.

Based on the foregoing, this Office recommends that the Commission accept the attached conciliation agreement from RLSM, Attachment 1, and close the file in this matter.

III. RECOMMENDATIONS

1. Take no further action with regard to Bozell Worldwide, Inc.
2. Accept the attached signed conciliation agreement with Robinson, Lake, Lerer & Montgomery, d/b/a Robinson Lake Sawyer Miller.
3. Approve the appropriate letters.
4. Close the file.

Lawrence M. Noble
General Counsel

6/10/96
Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachments:

1. Counterproposed conciliation agreement signed on behalf of RLSM, received June 4, 1996
2. Photocopy of civil penalty check, received June 4, 1996

Staff Assigned: Thomas J. Andersen

96043742256

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Robinson, Lake, Lerer and Montgomery,) MUR 4331
d/b/a Robinson Lake Sawyer Miller;)
Bozell Worldwide, Inc.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 14, 1996, the Commission decided by a vote of 5-0 to take the following actions in MUR 4331:

1. Take no further action with regard to Bozell Worldwide, Inc.
2. Accept the signed conciliation agreement with Robinson, Lake, Lerer & Montgomery, d/b/a Robinson Lake Sawyer Miller, as recommended in the General Counsel's Report dated June 10, 1996.
3. Approve the appropriate letters, as recommended in the General Counsel's Report dated June 10, 1996.
4. Close the file.

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

Attest:

6-14-96
Date

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

Received in the Secretariat: Mon., June 10, 1996 4:21 p.m.
Circulated to the Commission: Tues., June 11, 1996 11:00 a.m.
Deadline for vote: Fri., June 14, 1996 4:00 p.m.

bjr

96043742257



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 19, 1996

Charles H. Miller, Esq.
Loeb and Loeb
345 Park Avenue
New York, NY 10154-0037

RE: MUR 4331
Bozell Worldwide, Inc.

Dear Mr. Miller:

On April 1, 1996, you were notified that the Federal Election Commission found reason to believe that your client, Bozell Worldwide, Inc. ("Bozell") violated 2 U.S.C. § 441f. After considering the circumstances of the matter, the Commission determined on June 14, 1996, to take no further action against Bozell, 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.

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
Attorney

96043742258



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 19, 1996

William B. Canfield, III, Esq.
Holland & Knight
2100 Pennsylvania Avenue, N.W.
Suite 400
Washington, D.C. 20037-3202

RE: MUR 4331
Mark Charles Helmke

Dear Mr. Canfield:

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

96043742259



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 19, 1996

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

RE: MUR 4331
James Howard Lake
Michael B. Lake
James C. Lake, Jr.

Dear Mr. Oldaker:

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

96043742260



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 19, 1996

Leslie Gordon Fagen, Esq.
Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, NY 10019-6064

RE: MUR 4331
Robinson, Lake, Lerer &
Montgomery, d/b/a
Robinson Lake Sawyer Miller

Dear Mr. Fagen:

On June 14, 1996, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441f, a provision 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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Enclosed you will find a copy of the fully executed conciliation agreement for your files.
If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Thomas J. Andersen

Thomas J. Andersen
Attorney

Enclosure
Conciliation Agreement

96043742262

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JAN 4 11 00 AM '96

In the Matter of)
)
Robinson, Lake, Lerer)
& Montgomery, Inc.)
d/b/a Robinson Lake Sawyer Miller)

MUR 4331

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2). The Commission found reason to believe that Respondent Robinson, Lake, Lerer & Montgomery, d/b/a Robinson Lake Sawyer Miller ("Respondent," "RLSM") knowingly and willfully violated 2 U.S.C. § 441f of the Federal Election Campaign Act of 1971, as amended ("the Act").

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

I. The Commission has jurisdiction over Respondent 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. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

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

1. Respondent RLSM is a New York corporation with offices in Washington, D.C., and is a person within the meaning of 2 U.S.C. § 431(11). RLSM's primary business is communications management. Bozell Worldwide, Inc. ("Bozell") is the parent corporation of Respondent RLSM and engaged in the business of advertising.

2. Respondent executed an agreement with the Office of Independent Counsel, In re Secretary of Agriculture Espy ("Independent Counsel"), dated October 25, 1995, which states that Respondent and its parent Bozell were victims of the activities of James Howard Lake ("Lake"), an officer of RLSM who devised and intended a scheme to defraud, and to deprive RLSM and Bozell of the intangible right of honest services and for obtaining money from Bozell. The agreement states that Respondent is vicariously liable as an employer for Lake's actions. According to an agreement between Independent Counsel and Lake executed on October 23, 1995, Respondent and Bozell were not aware of the facts giving rise to this violation.

96043742263

3. 2 U.S.C. § 441f provides that no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. No person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f.

4. During the relevant times, Lake was chairman of the board of directors of Respondent. Lake, in the ordinary course of business, requested and received reimbursement for his expenses from Bozell.

5. In March 1994, Lake and an officer of Sun-Diamond Growers of California, Inc. ("Sun-Diamond") agreed that Lake and four other individuals whom Lake would solicit at Respondent's Washington, D.C. offices, would each write a check to the Henry Espy for Congress campaign committee ("the Committee"), to be reimbursed by Sun-Diamond. The money was to be funneled from Sun-Diamond through Respondent to Lake by means of a false expense item for a \$5,000 entertainment contribution to the "Joint Center Dinner," an annual dinner held by the Joint Center for Political and Economic Studies. Respondent was to submit an expense voucher to Sun-Diamond itemizing the expenditure, to be approved for payment by Sun-Diamond.

6. Lake solicited four of Respondent's employees to donate money to the Committee and promised to reimburse the contributions. Three of these employees contributed \$1,000 each to the Committee. Lake transferred four checks totaling \$4,000, which included his own contribution of \$1,000, to the Sun-Diamond officer, to be deposited in the Committee's bank account.

7. Neither Lake nor any of the individuals solicited are still employed by Respondent.

8. On March 11, 1994, Lake caused a billable expense report to be sent to Bozell, requesting reimbursement to him of \$5,000. On March 14, 1994, Bozell transmitted a check for \$5,000 to Lake as reimbursement for the listed dinner expense.

9. Sometime between March 10 and March 24, 1994, Lake reimbursed the three RLSM employees by writing each of them a personal check in the amount of \$1,000. He reimbursed himself for his own contribution and kept the remaining \$1,000. Respondent included the dinner expense in its invoice for services to Sun-Diamond, which then sent a check to Respondent covering the non-existent dinner expense.

V. 1. Respondent, through James Howard Lake, violated 2 U.S.C. § 441f by assisting in the making of contributions in the name of another.

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2. Respondent contends that the violation was not knowing and willful.

VI. Respondent has paid a civil penalty to the Federal Election Commission in the amount of eight thousand dollars (\$8,000).

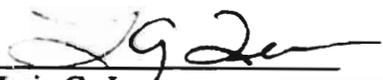
VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lepler
Associate General Counsel

6/19/96
Date

FOR THE RESPONDENT:


(Name)
(Position) Leslie G. Fagen

5/31/96
Date

Paul Weiss, Ruffalo, White & Garrison
Attorneys for Robinson Silver
1285 Ave of Americas
NY NY 10154

96043742265

PAUL WEISS, RIFKIND, WHARTON & GARRISON

139 AVENUE OF THE AMERICAS
NEW YORK, NY 10019

18
210

No 179070

PAY TO THE ORDER OF

FEDERAL ELECTION COMMISSION

DATE 05/31/96

CHECK AMOUNT

\$ *****8,000.00

Citibank, N.A.
399 Park Avenue
New York, N.Y. 10022

PAUL WEISS, RIFKIND, WHARTON & GARRISON
ATTORNEY BUSINESS ACCOUNT

John T. Griffin
Paul O. Sullivan



DETAILS OF DEBIT INFORMATION BEFORE DEPOSITING CHECK
PAUL WEISS, RIFKIND, WHARTON & GARRISON
139 AVENUE OF THE AMERICAS
NEW YORK, NY 10019

CHECK # 179070

BATCH	CODE	OFFICE ACCOUNT NO	DISB CODE	DATE	REFERENCE	AMOUNT	DISCOUNT	NET AMOUNT
		605-1442		05/30/96	FAGEN 1442			8,000.00
NO. & NAME	09731 FEDERAL ELECTION COMM				TOTALS			8,000.00

[Signature]

96043742266



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

June 20, 1996

Donald C. Smaltz
Office of Independent Counsel,
In re Secretary of Agriculture Espy
103 Oronoco Street, Suite 200
Alexandria, VA 22314

RE: MUR 4331
James Howard Lake
Michael B. Lake
James C. Lake, Jr.
Mark Charles Helmke
Robinson, Lake, Lerer & Montgomery, d/b/a
Robinson Lake Sawyer Miller
Bozell Worldwide, Inc.

Dear Mr. Smaltz:

This is in reference to the matter involving James Howard Lake and Robinson, Lake, Lerer & Montgomery, d/b/a Robinson Lake Sawyer Miller ("RLSM"), which your office referred to the Federal Election Commission on October 27, 1995.

On March 26, 1996, the Commission found that there was reason to believe James Howard Lake and RLSM each knowingly and willfully violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. The Commission also found that there was reason to believe Mr. Lake's sons, Michael B. Lake and James C. Lake, Jr., each violated 2 U.S.C. § 441f, and that Mark Charles Helmke knowingly and willfully violated 2 U.S.C. § 441f. The Commission has now entered into conciliation agreements with these respondents. Copies of these agreements are enclosed for your information. The Commission also found reason to believe that RLSM's parent company, Bozell Worldwide, Inc., knowingly and willfully violated 2 U.S.C. § 441f, but took no further action against it.

We appreciate your cooperation in helping the Commission meet its enforcement responsibilities under the Federal Election Campaign Act of 1971, as amended.

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If you have any questions, please contact Thomas J. Andersen, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

BY:



Lois G. Lerner
Associate General Counsel

Enclosures
Conciliation Agreements (3)

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF TLR # 4931

DATE FILMED 7-26-96 CAMERA NO. 2

CAMERAMAN M.R.J.

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