



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4392

DATE FILMED 4-16-57 CAMERA NO. 1

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WASHINGTON STATE
 DEMOCRATS
 PAUL BERENDT, CHAIR
 P.O. Box 4027
 SEATTLE, WA 98104

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 RECEIVED
 FEDERAL ELECTION
 COMMISSION
 SECRETARIAT
 June 17, 1996

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MUR 4392

Re: Services Group of America PAC
 FEC ID#: C00224618

Lee Ann Elliott, Chairman
 Federal Election Commission
 999 E St. NW
 Washington, D.C. 20463

Dear Madame Chairman:

I am writing to request that the Federal Election Commission (FEC) investigate the federal PAC, Services Group of America Political Action Committee (SGAPAC), to determine if it has violated FEC regulations by paying bonuses to employees and then requiring the employee to make a contribution to SGAPAC.

SGAPAC is sponsored by several corporations that are privately held by Mr. Thomas Stewart. The companies include Service Group of America, Food Services of America, Eagle Insurance Group, Development Services of America, and other subsidiaries. The address for the SGAPAC is: P.O. Box 3627, Seattle, WA 98124.

The City of Seattle Ethics and Elections Commission has investigated Mr. Stewart and his companies and determined that they violated local laws by illegally laundering campaign contributions in behalf of a 1995 local ballot election. Services Group of America and Mr. Stewart have admitted violating local regulations and have agreed to pay a \$60,000 fine. The State Attorney General's office is reviewing the case for criminal violations.

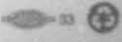
In addition to the violations determined by the City of Seattle, there are questions about federal violations. Depositions by two former employees indicated that employees were paid additional bonuses and then required to make a contribution to SGAPAC. Since SGAPAC is a federal PAC, I am requesting that the FEC determine if SGAPAC has been in compliance with FEC rules and regulations.

Specifically, we believe Mr. Stewart's and SGAPAC's actions may have violated Section 114.5(b)(1) of FEC regulations, which states: A contributor may not be paid for his or her contribution through a bonus, expense account, or other form of direct or indirect compensation.

According to court documents, described in a June 6 article in the Seattle Times newspaper, former Food Services of America chief operating officer Paul Junker said, "When I had my salary and bonus review with [then Food Services of

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America president] Gary Walsh, he told me that my bonus would be \$120,000, but he said, "You're going to see that your bonus is actually \$121,000; you need to write a check back to the SGAPAC for \$1,000." According to the Times story, "Junker also said that in 1992 he received a \$106,000 bonus, but was given to understand that \$1,000 was to cover political contributions."

In a sworn deposition, former Food Services President Ken Wagner also detailed how employees were given bonuses and required to kick back contributions to SGAPAC.

Therefore, I am requesting that the FEC:

1) Investigate allegations that employees of companies owned by Mr. Thomas Stewart were given bonuses and then were required to write a check to SGAPAC;

2) Investigate the possibility that in 1992 employees of companies owned by Mr. Thomas Stewart were given bonuses and then made contributions for themselves, and in some cases their spouses, to Peter von Reichbauer, an employee of Mr. Stewart's, and a candidate for U.S. Congress in the 9th Congressional District of Washington State in 1992. Mr. Von Reichbauer received \$68,670 in contributions from Stewart and his associates in 1992; and

3) If the employee contributions to SGAPAC were in fact illegal, should recipients of the contributions by SGAPAC be required to return the contributions.

For your information, I have enclosed four Exhibits offering further information regarding these possible violations, as well as the referenced newspaper articles.

I appreciate your consideration of my request.

Respectfully submitted,

Paul Berendt, Chair
Washington State Democratic Party

County of King)

State of Washington)

Sworn to and subscribed before me this 17 day of June, 1996.

Notary Public

my appointment expires 2/1/99

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EXHIBIT #1:

An employee, Paul Junker, was given an additional bonus of \$1,000, and was told he would have to give the \$1,000 to SGAPAC.

An article by O. Casey Corr and Marla Williams in the Thursday, June 6, 1996 edition of the *Seattle Times* reported:

"...two former senior executives with Stewart's Food Services of America alleged in a 1993 lawsuit that 'Stewart had a business policy ... of forcing FSA executive employees ... to contribute part of their compensation to Political Action Committees or political candidates in order to evade or avoid political-contribution laws.'

"In 1992, then Food Services of America President Kenneth Wagner and Paul Junker, chief operating officer, were fired in an apparent dispute over salary and equity interest in the company. Soon after, Wagner and Junker sued Stewart, claiming they had been wrongfully terminated and forced to kick back part of their bonuses to Services Group of America's political action committee.

"In court documents, Wagner and Junker said they were told in 1990 and 1992 to contribute \$1,000 each from company bonuses.

"Describing what happened in 1990, Junker said: 'When I had my salary and bonus review with (then Food Services of America president) Gary Walsh, he told me that my bonus would be \$120,000, but he said, 'You're going to see that your bonus is actually \$121,000; you need to write a check back to the SGA PAC for \$1,000.'

"Junker also said that in 1992 he received a \$106,000 bonus, but was given to understand that \$1,000 was to cover political contributions."

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EXHIBIT #2:

Several employees were given additional \$1,000 bonuses and were required to return that amount to SGAPAC.

An article by Mark Matassa and Susan Byrnes in the Sunday, June 9, 1996 edition of the *Seattle Times* states:

"In a sworn deposition, Ken Wagner, former president of Food Services of America, another Stewart subsidiary, explained how during his tenure employees were required to contribute to the Services Group of America PAC.

"At a January 1991 meeting, he said, executives 'indicated to Paul and I whose bonuses to increase by an additional \$1,000, and to require them to make that contribution back.'

"Questioning Wagner's statement, an attorney for Stewart asked, 'Now, when you say the word "required," did they actually say the people would be required to make those contributions back?'

"Wagner responded: 'Yes.'

"Again the attorney asked: 'Was "required" the operative word?'

"And again, Wagner said: 'Yes.'

"Then the attorney asked Wagner to name the people who allegedly were required to pay back the extra \$1,000.

"Wagner said: 'Ernie Snyder, Bill Floten, Ron Bain, Bob Caswick, Pat Bulzomi.'...

"Still pressing Wagner, the attorney asked again whether employees were reimbursed for their political contributions. 'Just so I understand the process correctly ... you would reach an agreement on what the actual bonus was going to be, and then they'd be given \$1,000 overage so that (amount) could be put back into the PAC?'

"Wagner said 'that's correct.'

"No paper exchanged hands detailing the scheme, Wagner said. Instead it was 'all word of mouth.'"

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EXHIBIT #3:

Requiring employees to contribute to SGAPAC was widespread and included many employees.

The above-referenced June 9, 1996 article in the *Seattle Times* stated:

"[Paul] Junker also said he was expected to ask his subordinates to make contributions to the company's PAC. In each case, Junker said \$1,000 was added to the bonus earned by the employee to cover the PAC contribution.

"In the same deposition, Junker said he explained that the contribution was obligatory by telling employees: 'I'm not in favor of this; look, I'm in this just like the rest of you; it's something Tom does; just do it and don't complain about it; I've got to do it myself.'"

EXHIBIT #4:

Mr. Stewart and his employees may have made illegal contributions to the 9th Congressional District candidate in 1992, Peter von Reichbauer, an employee of Mr. Stewart's.

According to the June 9, 1996 *Seattle Times*:

"[M]ost of the money von Reichbauer received from Stewart's associates fits a pattern that sometimes prompts Federal Election Commission (FEC) investigations: Almost all the contributions from Stewart and 43 of his relatives, employees and relatives of employees were recorded by von Reichbauer on three days -- March 15, Sept. 26 and Sept. 30, 1992 -- and in almost all cases were at the maximum amount allowed by law....

"In a 1992 lawsuit, two former employees alleged, among other things, that between 1990 and 1992 Stewart violated the campaign laws by requiring them to make contributions using money paid to them as part of bonuses."

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Illegal payments known, firm says

Von Reichbauer knew of donations, Stewart tells panel

BY O. CASEY CORR
AND MARLA WILLIAMS
Seattle Times staff reporters

The Seattle business executive who admitted illegally funneling \$60,000 to a city campaign said yesterday that Metropolitan King County Councilman Pete von Reichbauer knew about the payments.

Thomas J. Stewart, chairman and CEO of Services Group of America Inc., told the Seattle Ethics and Elections Commission that von Reichbauer "knew about the situation" last June when Stewart began making payments through intermediaries who were secretly reimbursed. The money supported a failed campaign last November to change the City Council from at-large representation to a district-based system.

Stewart gave a hazy account of his conversations with von Reichbauer, but said that as close friends they talk on a daily basis. Von Reichbauer is a former employee of Services Group of America.

Stewart said he told von Reichbauer about the concealed donations but didn't recall whether the councilman warned him they

were illegal. "I don't know. Maybe he did. Maybe he didn't," Stewart, who runs one of the nation's largest privately held companies, told the commission.

Von Reichbauer denied that he knew anything specific about Stewart's financing of the campaign.

"I don't recall any conversation relating to financing, other than the fact that he wanted to

PLEASE SEE *Contributions* ON A 8

Seattle Times
6-6-96

Contributions

CONTINUED FROM PAGE 1

support it (the campaign)," von Reichbauer said this morning.

"There was no indication of a subterfuge or anything," von Reichbauer said. Their conversations were philosophical, and von Reichbauer said he told Stewart he favored electing representatives by district because it is "more beneficial to the neighborhoods."

Stewart declined to be interviewed.

Meanwhile, the chairman of the Ethics and Elections Commission, Timothy Burgess, said his agency is issuing new subpoenas for bank records in a widening probe of campaign fraud. He declined to identify targets of the probe.

"We have indications of similar contributions being made, where the identity of the donor was concealed," Burgess said, declining to elaborate.

"I know if other law-enforcement agencies do their job, it will involve other officials," Burgess said.

Burgess said his agency has no jurisdiction over a county official such as von Reichbauer, adding, "I was surprised that Mr. von Reichbauer didn't advise him or caution him that he was breaking the law."

State law prohibits concealing the identity of campaign donors and bars contributions of more than \$5,000 within 21 days of a general election.

Perhaps signaling the direction of the investigation, commission members asked Stewart if employees had

to return some pay for use by the company's political-action committee.

He said no, but two former senior executives with Stewart's Food Services of America alleged in a 1993 lawsuit that "Stewart had a business policy ... of forcing FSA executive employees ... to contribute part of their compensation to Political Action Committees or political candidates in order to evade or avoid political-contribution laws."

In 1992, then Food Services of America President Kenneth Wagner and Paul Junker, chief operating officer, were fired in an apparent dispute over salary and equity interest in the company. Soon after, Wagner and Junker sued Stewart, claiming they had been wrongfully terminated and forced to kick back part of their bonuses to Services Group of America's political-action committee.

In court documents, Wagner and Junker said they were told in 1990 and 1992 to contribute \$1,000 each from company bonuses.

Describing what happened in 1990, Junker said: "When I had my salary and bonus review with (then Food Services of America president) Gary Walsh, he told me that my bonus would be \$120,000, but he said, 'You're going to see that your bonus is actually \$121,000; you need to write a check back to the SGA PAC for \$1,000.'"

Junker also said that in 1992 he received a \$106,000 bonus, but was given to understand that \$1,000 was to cover political contributions.

Wagner and Junker reached an



Thomas Stewart

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out-of-court settlement with Stewart in 1993 concerning the allegations of coerced political contributions. Wagner declined comment on the settlement. Junker could not be reached.

On their claims of wrongful termination, Wagner and Junker were awarded \$900,000 each by a jury.

Stewart makes himself felt in regional politics. Through his own money or through his company's, he gives large contributions to Republican candidates and other conservative causes. He also hosts the annual King County Republican picnic at his 167-acre estate on Vashon Island.

Services Group of America is one of the largest privately owned companies in the nation, but works hard to keep a low profile, generally shunning the news media and closely guarding all financial and personal information.

The company is a family of companies in the food-processing, workers-compensation-insurance, and real-estate development businesses. Services Group of America is a holding company for Food Services of America, Eagle Insurance Group and Development Services of America and other subsidiaries. It is thought to have about 3,000 employees.

According to the most recent Federal Election Commission records available, the Services Group of America Political Action Committee this year has given \$26,500 to GOP congressional candidates, including \$5,000 each to Rep. Rick White of Bainbridge Island, Rep. Jack Metcalf of Langley, and Rep. George Nethercutt of Spokane. An additional

\$4,000 has gone to Rep. Randy Tate of Puyallup, and \$1,000 to at-large Alaska Rep. Don Young, an ardent defender of private-property rights.

Stewart is shown as contributing an additional \$1,000 to Friends of Rick White, and \$1,000 to Phil Gramm for President Inc.

Stewart has been unable to get city permission to land his helicopter at the Services Group of America's office on Delridge Way Southwest. "We were somewhat displeased with the way the city is governed," Stewart said in explaining his decision to secretly support the campaign to change how the City Council is elected.

"The intent was to not clutter the campaign with SGA and the helistop because the press likes to write about it," he said. He wanted to "let the voters decide how they want to be governed."

Burgess called the scheme "a premeditated conspiracy to flagrantly violate the election laws of the city of Seattle."

"This was an attempt to defraud the voters of the city and it came to light because of the professional diligence of our staff," he said.

Stewart agreed to pay \$45,000 to settle the civil infractions. Lawrence Riggs, Services Group of America's president, admitted to participating and agreed to pay \$15,000.

Stewart said he had not known the scheme was illegal. He said he had not made such donations in other Seattle campaigns but he declined to answer whether he had done so in noncity campaigns.

The commission yesterday asked the King County Prosecutor's Office to investigate for possible criminal violations.

Stewart's lawyer, Jim Hilton, had

no comment when asked about criminal sanctions that Stewart or Riggs may face.

One of Stewart's senior employees, treasurer Greg Stevenson, serves on the finance committee of King County Prosecutor Norm Maleng's gubernatorial campaign and has donated \$1,000 to Maleng's campaign.

Dan Donohoe, spokesman for the prosecutor's office, said Maleng did not think the matter presented a

conflict. The Maleng campaign has not received money from Stewart, Riggs or the company, he added.

"At this point, we're waiting to receive the information from the ethics and elections commission," Donohoe said. "Once we receive it, we'll decide what action to take."

Information from Seattle Times staff reporters Peter Lewis and Susan Byrnes is included in this report.

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Big contributions to von Reichbauer may raise questions

Copyright 1996, Seattle Times Co.

BY MARK MATASSA
AND SUSAN BYRNES

Seattle Times staff reporters

Metropolitan King County Councilman Pete von Reichbauer, said by businessman Thomas Stewart to have been aware of Stewart's contributions to a Seattle charter-amendment campaign, received \$68,670 in 1992 from Stewart and his associates.

The contributions to von Reichbauer's unsuccessful 9th District congressional campaign may be perfectly legal, unlike the ones to the charter-amendment campaign.

But most of the money von Reichbauer received from Stewart's associates fits a pattern

that sometimes prompts Federal Election Commission (FEC) investigations: Almost all the contributions from Stewart and 43 of his relatives, employees and relatives of employees were recorded by von Reichbauer on three days — March 15, Sept. 26 and Sept. 30, 1992 — and in almost all cases were at the maximum amount allowed by law.

Also, the timing of the congressional campaign coincides with that of a court deposition in which a former Stewart employee described being "required" to contribute money to Stewart's political causes.

"Bundled" contributions com-

PLEASE SEE *Campaign* ON A 19

Campaign

CONTINUED FROM PAGE 1

ing from individuals acting in concert on a few specific dates would be illegal only if they were reimbursed or instructed to donate the money. Stewart has acknowledged doing exactly that in the 1995 charter-amendment campaign for district-wide City Council elections. He and an employee, Lawrence Riggs, agreed last week to pay \$60,000 to the city to settle the civil infractions.

Stewart also said von Reichbauer and Republican consultant Dick Schrock, an adviser to von Reichbauer's congressional campaign, knew of his \$60,000 in contributions to the city ballot measure.

Schrock has not returned calls.

Von Reichbauer denied any knowledge of Stewart's illegal contributions to the charter-amendment campaign. And he said yesterday there was no such scheme during his 1992 effort.

"They were voluntary donations, they represented 15 percent of my total individual donations, and they were appreciated," he said.

Von Reichbauer said he closed the books on his 1992 campaign only last year. The final accounting, he said, showed total contributions of \$498,000. He lost the general elec-

tion that year to Democrat Mike Kreidler, who served one term from the 9th District.

Robyn Jimenez, a former FEC analyst who now makes software for electronic filing of federal election reports, said yesterday the bundling of contributions on two or three specific dates is among many factors that can catch the attention of FEC auditors. That Stewart has already acknowledged a fraudulent bundling scheme and that a former employee accused Stewart of coercing contributions would make an FEC investigation much more likely, she said.

"It looks like this person should have filed a (FEC) complaint in 1992, and I'm sure the FEC would have examined it," Jimenez said.

Von Reichbauer was vice president for administration of Stewart's Services Group of America, Inc., from 1988 to 1993. He said it shouldn't be a surprise that other employees of Stewart contributed to his campaign; after all, they were von Reichbauer's friends and co-workers, he said.

He also discounted the coinci-

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Seattle Times

6-9-96

dence of so many contributions coming on just three dates. It's not unusual for targeted fund-raising appeals to produce checks in bunches, he said.

According to Federal Election

Commission reports, von Reichbauer received \$10,000, the legal maximum, from Stewart's political-action committee, Services Group of America PAC, and an additional \$58,670 from individuals associated with Stewart.

All but two of the 60 individual contributions were also for the legal maximum: \$1,000 in the primary-election campaign and \$1,000 in the general-election campaign.

The contributors included Stewart and his immediate family, including his parents, his then-wife and two sons, one of whom was listed as a student. Among the other contributors were Riggs, the SGA president who was part of the fraudulent city-campaign contributions, and his wife, Teresa Riggs.

In a 1992 lawsuit, two former employees alleged, among other things, that between 1990 and 1992 Stewart violated the campaign laws by requiring them to make contributions using money paid to them as part of bonuses.

In a sworn deposition, Ken Wagner, former president of Food Services of America, another Stewart subsidiary, explained how during his tenure employees were required to

contribute to the Services Group of America PAC.

At a January 1991 meeting, he said, executives "indicated to Paul and I whose bonuses to increase by an additional \$1,000, and to require them to make that contribution back."

Questioning Wagner's statement, an attorney for Stewart asked, "Now, when you say the word 'required,' did they actually say the people would be required to make those contributions back?"

Wagner responded: "Yes."

Again the attorney asked: "Was 'required' the operative word?"

And again, Wagner said: "Yes."

Then the attorney asked Wagner to name the people who allegedly were required to pay back the extra \$1,000.

Wagner said: "Ernie Snyder, Bill Floten, Ron Bain, Bob Caswick, Pat Bulzomi." (Snyder, Floten and Bulzomi, and their spouses, were among von Reichbauer's contributors in 1992.)

Still pressing Wagner, the attorney asked again whether employees were reimbursed for their political contributions. "Just so I understand

the process correctly ... you would reach an agreement on what the actual bonus was going to be, and then they'd be given \$1,000 overage so that (amount) could be put back into the PAC?"

Wagner said "that's correct."

No paper exchanged hands detailing the scheme, Wagner said. Instead it was "all word of mouth."

In another August 1992 deposition, former Food Services of America executive Paul Junker said that when he objected to contributing a portion of his bonus to Stewart's political-action committee, his superior told him "P.J., don't argue; just do it."

Junker also said he was expected to ask his subordinates to make contributions to the company's PAC. In each case, Junker said \$1,000 was added to the bonus earned by the employee to cover the PAC contribution.

In the same deposition, Junker said he explained that the contribution was obligatory by telling employees: "I'm not in favor of this; look, I'm in this just like the rest of you; it's something Tom does; just do it and don't complain about it; I've got to do

it myself."

Many Stewart employees and their spouses hung up or otherwise declined comment when asked about the 1992 contributions to von Reichbauer.

"I know nothing about it," said Elizabeth Engstrom of Renton, who gave von Reichbauer \$1,000 on Sept. 30. Her husband, Chris Engstrom, an employee of Eagle Pacific Insurance, a Stewart subsidiary, also gave \$1,000 that same date. "If you want to know something you can talk to someone at Eagle," Elizabeth Engstrom said.

Later, Chris Engstrom answered a second phone call and before hanging up said, "I'd like to keep that private."

Amy Lopit, a Mukilteo housewife whose husband Edward Lopit also works for Eagle Pacific, had a similar reaction when asked about their paired \$1,000 contributions on Sept. 30. "I'm not comfortable with this phone call so I'm going to hang up," she said.

Seattle Times staff reporters Marla Williams and O. Casey Corr contributed to this report.



FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 28, 1996

Patricia Bulzomi
1921 SW 324th Street
Federal Way, WA 98023

RE: MUR 4392

Dear Ms. Bulzomi:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4392. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

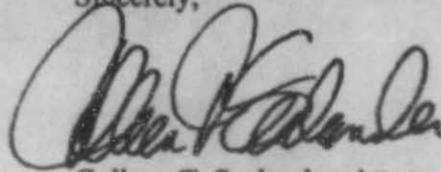
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed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

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to this

Procedure
Designation of

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

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 28, 1996

William F. Floten
8668 Island Drive S
Seattle, WA 98118

RE: MUR 4392

Dear Mr. Floten:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4392. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

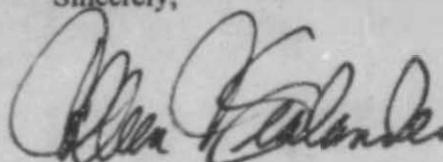
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Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

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Complaint is enclosed. We have number, re: matter MUR 1392. Please refer to this. The complaint is enclosed. We have n



FEDERAL ELECTION COMMISSION

Washington, DC 20463

June 28, 1996

Ernest Snyder
4432 189th Avenue, SE
Issaquah, WA 98027

RE: MUR 4392

- 2 Procedures
- 3 Designation of Counsel

Dear Mr. Snyder:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4392. Please refer to this number in all future correspondence.

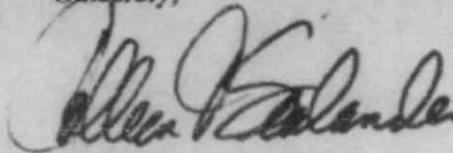
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If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

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complaint is enclosed. We have numbered this matter NCCJ 4592. Please refer to this the complaint is enclosed. We have



FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 28, 1996

Kenneth P. Wagner
P.O. Box 3547
Seattle, WA 98124-3547

RE: MUR 4392

Dear Mr. Wagner:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4392. Please refer to this number in all future correspondence.

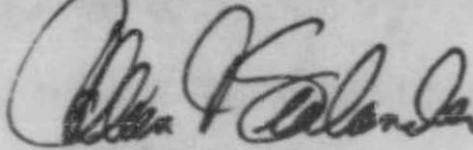
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If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

Dear Mr. Snyder

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... have numbered this matter MUR 4392. Please refer to this

the complaint is enclosed. We have a number in all future



FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 28, 1996

Peter von Reichbauer
P.O. Box 3737
Federal Way, WA 98063

RE: MUR 4392

Dear Mr. von Reichbauer:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4392. Please refer to this number in all future correspondence.

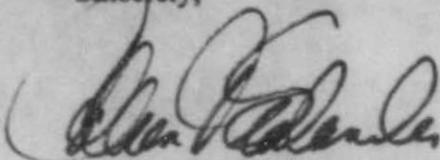
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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

97043792174

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

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

97043792175

complaint is enclosed. We have numbered this matter MT/R 4392. Please refer to this

the complaint is enclosed. We have n



FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 28, 1996

Gary L. Walsh
395 Oyster Pnt Blvd., #415
South San Francisco, CA 94080

RE: MUR 4392

Dear Mr. Walsh:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4392. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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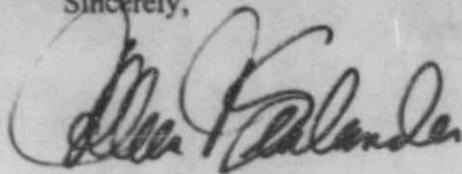
97043792176

to this

2. Procedures
3. Designation of

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

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Peter von Re...
P.O. Box 323

Enclosures

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

Dear Mr. von R...

97043792177
complaint as enclosed. We have numbered this matter MUR 4392. Please refer to this

the complaint is enclosed. We have n...

this m...

(12)



FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 28, 1996

Paul J. Junker
7552 Ne Lessard Road
Camas, WA 98607-9600

RE: MUR 4392

Dear Mr. Junker:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4392. Please refer to this number in all future correspondence.

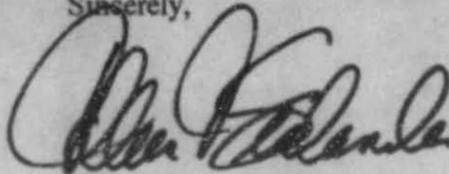
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9704379217R

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

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

97043792170

complaint is enclosed. We have numbered this matter MUR 4392. Please refer to this the complaint is enclosed. We have



FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 28, 1996

William H. Schweitzer, Esq.
E. Mark Braden, Esq.
Baker & Hostetler
Washington Square
1050 Connecticut Avenue, Suite 1100
Washington, DC 20036-5304

RE: MUR 4392
Services Group of America PAC et al.

Dear Messrs. Schweitzer and Braden:

The Federal Election Commission received a complaint which indicates that Services Group of America Political Action Committee and Dennis Specht, as treasurer, Services Group of America and its subsidiaries, and Thomas J. Stewart ("your clients") may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4392. Please refer to this number in all future correspondence.

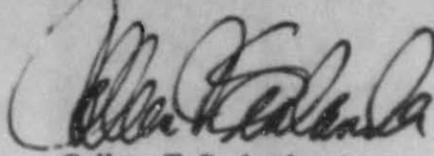
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against your clients in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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

97043792180

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

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures

Dear Messrs. Sch... and Braden:

Dear Messrs. Sch...

97043792181



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 2, 1996

Ronald Lee Bane
15300 Bursley Court
Tampa, FL 33647-1150

RE: MUR 4392

Dear Mr. Bane:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4392. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to administrative oversight. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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Celebrating the Commission's 20th Anniversary

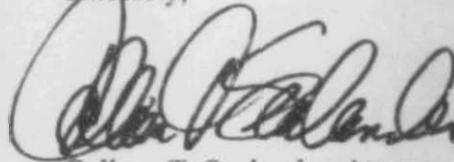
YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

97043792187

Ronald Lee Bane
Page 2

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

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

9704379218



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 2, 1996

Robert W Caswick
8815 Torrington Drive
Roswell, GA 300076-3964

RE: MUR 4392

Dear Mr. Caswick:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4392. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to administrative oversight. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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Celebrating the Commission's 20th Anniversary

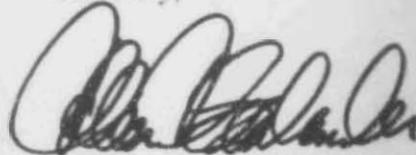
YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

9704379218

Robert W. Caswick
Page 2

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

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

9704379218

BAKER
&
HOSTETLER
COUNSELLORS AT LAW

WASHINGTON SQUARE, SUITE 1100 • 1050 CONNECTICUT AVENUE, N.W. • WASHINGTON, D.C. 20036-5304 • (202) 861-1500
FAX (202) 861-1783 • TELEX 2357276
WRITER'S DIRECT DIAL NUMBER
(202) 861-1504

June 25, 1996

BY MESSENGER

Larry Noble, Esquire
General Counsel
Federal Election Commission
999 East Street, N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
JUN 25 4 48 PM '96

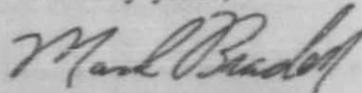
Re: Services Group of America and Thomas J. Stewart (MUR 4392)

Dear Mr. Noble:

According to press accounts in Seattle newspapers, a complaint has been filed by the Washington State Democratic Party with the Federal Election Commission ("Commission"). According to these press accounts, the complaint alleges violations of the Federal Election Campaign Act by Services Group of America and Thomas J. Stewart. I understand that the complaint was received at the Commission today. Please contact me so that I may arrange a messenger to come to your offices to pick it up. Enclosed with this letter are executed statements of designation of counsel authorizing my office to receive any notifications and/or other communications from the Commission.

Thank you for your cooperation.

Sincerely yours,



E. Mark Braden

EMB/rvn

Enclosures

EMB:1735:85577-96001:Noble.625

9704379218

STATEMENT OF DESIGNATION OF COUNSEL

MUR: Any and all matters at the Federal Election Commission

NAME OF COUNSEL: William H. Schweitzer

ADDRESS: Baker & Hostetler, Counsellors at Law
Washington Square, Suite 1100
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5304

TELEPHONE: (202) 861-1531

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 ("Commission") and to act on my behalf before the Commission.

6/29/86
Date


Signature

RESPONDENT'S NAME: Services Group of America

ADDRESS: 4025 Delridge Way, S.W.
Suite 500
Seattle, Washington 98106

BUSINESS PHONE: (206) 933-5225

9704379218

JUN 25 4 49 PM '86

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

STATEMENT OF DESIGNATION OF COUNSEL

MUR: Any and all matters at the Federal Election Commission

NAME OF COUNSEL: William H. Schweitzer

ADDRESS: Baker & Hostetler, Counsellors at Law
Washington Square, Suite 1100
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5304

TELEPHONE: (202) 861-1531

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 ("Commission") and to act on my behalf before the Commission.

6/20/98
Date

[Handwritten Signature]
Signature

RESPONDENT'S NAME: Thomas J. Stewart

ADDRESS: Services Group of America
4025 Delridge Way, S.W.
Suite 500
Seattle, Washington 98106

HOME PHONE: (206) _____

BUSINESS PHONE: (206) 933-5225

9704379218

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
JUN 25 4 49 PM '98

STATEMENT OF DESIGNATION OF COUNSEL

MUR: Any and all matters at the Federal Election Commission

NAME OF COUNSEL: E. Mark Braden

ADDRESS: Baker & Hostetler, Counsellors at Law
Washington Square, Suite 1100
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5304

TELEPHONE: (202) 861-1504

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 ("Commission") and to act on my behalf before the Commission.

6/20/96
Date


Signature

RESPONDENT'S NAME: Services Group of America

ADDRESS: 4025 Delridge Way, S.W.
Suite 500
Seattle, Washington 98106

BUSINESS PHONE: (206) 933-5225

9704379219

JUN 25 4 49 PM '96
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

STATEMENT OF DESIGNATION OF COUNSEL

MUR: Any and all matters at the Federal Election Commission

NAME OF COUNSEL: E. Mark Braden

ADDRESS: Baker & Hostetler, Counsellors at Law
Washington Square, Suite 1100
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5304

TELEPHONE: (202) 861-1504

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.

6/20/96
Date


Signature

RESPONDENT'S NAME: Thomas J. Stewart

ADDRESS: Services Group of America
4025 Delridge Way, S.W.
Suite 500
Seattle, Washington 98106

HOME PHONE: (206) _____

BUSINESS PHONE: (206) 933-5225

9704379219

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
JUN 25 4 49 PM '96

BAKER
&
HOSTETLER
COUNSELLORS AT LAW

WASHINGTON SQUARE, SUITE 1100 • 1050 CONNECTICUT AVENUE, N.W. • WASHINGTON, D.C. 20036-5304 • (202) 861-1500
FAX (202) 861-1783 • TELEX 2357276
WRITER'S DIRECT DIAL NUMBER

(202) 861-1504

July 10, 1996

General Counsel Office
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463
Attn: Alva E. Smith

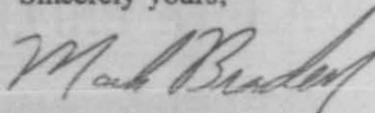
Re: MUR 4392

I am writing to the Federal Election Commission ("Commission") to request an extension of time in which my clients may respond with factual and legal materials relevant to the Commission's analysis of this matter. As I indicated in our discussion, Mr. Stewart was married last week, and in light of this fact, it would be very difficult for an appropriate response to be prepared within fifteen days of receipt of your initial notification. I am requesting for our clients an additional twenty days to respond to this matter.

Also with this letter are additional designations of counsels for other companies named in this matter.

If you should have additional questions, please do not hesitate to contact me. Thank you for your cooperation.

Sincerely yours,



E. Mark Braden

EMB/rvn

Enclosures

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
JUL 15 2 54 PM '96

9704379219

STATEMENT OF DESIGNATION OF COUNSEL

MUR: , 4392 and all matters at the Federal Election Commission

NAME OF COUNSEL: E. Mark Braden

ADDRESS: Baker & Hostetler, Counsellors at Law
Washington Square, Suite 1100
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5304

TELEPHONE: (202) 861-1504

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.

7/8/96
Date

Stephen Ferris, Vice President
Signature

RESPONDENTS' NAMES: Food Services of America
Eagle Insurance Group
Development Services of America
Services Group of America PAC (SGAPAC)

ADDRESS: 4025 Delridge Way, S.W.
Suite 500
Seattle, Washington 98106

HOME PHONE: (206) 527-8862

BUSINESS PHONE: (206) 933-5225

9704379219

STATEMENT OF DESIGNATION OF COUNSEL

MUR: 4392 and all matters at the Federal Election Commission

NAME OF COUNSEL: William H. Schweitzer

ADDRESS: Baker & Hostetler, Counsellors at Law
Washington Square, Suite 1100
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5304

TELEPHONE: (202) 861-1531

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.

7/8/96
Date

Luiz Antonio, Vice President
Signature

RESPONDENTS' NAMES: Food Services of America
Eagle Insurance Group
Development Services of America
Services Group of America PAC (SGAPAC)

ADDRESS: 4025 Delridge Way, S.W.
Suite 500
Seattle, Washington 98106

HOME PHONE: (206) 597-8862

BUSINESS PHONE: (206) 933-5225

9704379219



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 16, 1996

William H. Schweitzer, Esq.
E. Mark Braden, Esq.
BAKER & HOSTETLER
Washington Square
1050 Connecticut Avenue, Suite 1100
Washington, D.C. 20036-5304

RE: MUR 4392
Services Group of America PAC et al.

Dear Messrs. Schweitzer and Braden:

This is in response to your letter dated July 10, 1996, requesting a 20 day extension to respond to the complaint filed in the above-noted matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on August 5, 1996.

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

Sincerely,

Alva E. Smith, Paralegal
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

9704379219

LAW OFFICES

SHORT CRESSMAN & BURGESS P.L.L.C.

PAUL R. CRESSMAN, SR., P.E.
 JOHN O. BURGESS
 DOUGLAS R. HARTWICH
 BRIAN L. COMSTOCK
 ROBERT E. HEATON
 JOHN H. STRASBURGER
 JAMES A. OLIVER
 DAVID R. KOOPMANS
 KENNETH L. MYER
 ROBERT J. SHAW
 PAUL R. CRESSMAN, JR.
 ANDREW W. MARON
 CHRISTOPHER J. SOELLING
 PAUL J. DAYTON
 BRYAN F. COLUCCIO
 ROBERT E. HIBBS
 CHRISTOPHER R. OSBORN
 MICHAEL R. GARNER
 DAVID E. BRESKIN
 SCOTT A. SMITH
 THOMAS W. BRAD

3000 FIRST INTERSTATE CENTER
 999 THIRD AVENUE
 SEATTLE, WASHINGTON 98104-4088
 FAX: (206) 340-8856
 (206) 682-3333

STEPHEN F. CONNOR
 SUSAN THORBERGGER
 LISA WOLFARD
 KERRY S. BUCKLING
 DAVID S. WOOD
 PAUL A. D'ALONSO
 STEPHAN J. FRANCES
 ANN T. WILSON
 WILLIAM A. BURGE
 KAREN A. GRUEN
 CLAUDIA L. CRAWFORD
 WALTER H. OLSEN, JR.
 ALISON WACHTERMAN
 JOHN D. SULLIVAN
 * MEMBER OF PATENT BAR,
 USPTO

KENNETH F. SHORT
 SCOTT M. MERRILL
 SAMUEL S. CHUNG
 OF COUNSEL

JOSEF DIAMOND
 COUNSEL TO THE FIRM

July 17, 1996

VIA FEDERAL EXPRESS
 Colleen T. Sealander
 Central Enforcement Docket
 Federal Election Commission
 99 E. St. NW
 Washington, D.C. 20463

Re: MUR 4392

Dear Ms. Sealander:

This office will be representing Mr. Paul Junker with respect to matter number MUR 4392. It is also likely that we will be representing Mr. Kenneth Wagner, to the extent that he is the subject of a similar complaint. As you may know, we are the attorneys who represented Mr. Junker and Mr. Wagner in their lawsuit against Food Services of America, wherein we challenged the propriety of that companies requests for contributions to its political action committee. As I understand it, Mr. Wagner is out of town on vacation. Consequently, we request hat we be allowed to send a more formal response to the commission within 10 days of the date hereof. However, we make the following preliminary observations:

1. It does not appear that the complaint by its terms is intended to assert that Mr. Junker and Mr. Wagner themselves violated any campaign laws, but that the company and its owners did.

2. The deposition testimony quoted in the articles attached to the complaint is in accordance with Mr. Junker's recollection; the other summaries contained in the news articles appear to have certain inaccuracies.

RECEIVED
 FEDERAL ELECTION
 COMMISSION
 OFFICE OF GENERAL
 COUNSEL
 Jul 18 9 58 AM '96

9704379219

Colleen T. Sealander
July 17, 1996
Page 2

After I have had an opportunity to speak with Mr. Wagner, we may submit a more detailed response.

Very truly yours,



Stephen P. Connor

SPC:ddh

97J4379219

LAW OFFICES
KEESAL, YOUNG & LOGAN
 A PROFESSIONAL CORPORATION
 SUITE 1500
 FOUR EMBARCADERO CENTER
 SAN FRANCISCO, CALIFORNIA 94111
 (415) 998-9000
 TELECOPIER:
 (415) 981-7789 • (415) 998-8508

SAMUEL A. KEESAL, JR.
 STEPHEN YOUNG
 ROBERT H. LOGAN
 MICHAEL H. OLESEN
 PETER B. ZONTIS
 SCOTT T. PRAIT
 TERRY ROSS
 JOHN D. GIFFIN
 WILLIAM H. COLLIER, JR.
 ROBERT D. FRIEDMAN
 PHILIP A. McLEOD
 HEAL S. BOSS
 BEN BUTER
 STEPHEN C. CLIFFORD
 E. SCOTT DOUGLAS
 JOSEPH B. SCHRUCKERT
 SHANNON I. McDONALD†
 WILLIAM E. McDONNELL, JR.
 MICHAEL A. THURNAN
 DAWN M. SCHOCK
 TIMOTHY E. WILL
 ALBERT E. FRACOCK III‡
 CAMERON STOUT
 JOHN R. LOFTUS
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 ROBERT J. STEINER
 LISA M. BERTAIN
 JAMES M. SIMMONS
 ROBERT J. BOCKO†
 MICHAEL R. PROV
 ROBERT A. BLEICHER
 MICHAEL L. ARMITAGE
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 ELIZABETH A. HENDRICK
 LINDA A. LOFTUS
 ELIZABETH F. DEARLEY
 ERIC R. SWETT
 PAUL J. SCHUMACHER
 BRIAN L. EAGON
 OSBOORNY E. COPELAND
 JOSEPH A. WALSH II
 OF COUNSEL
 MICHAEL H. WOODELL*
 BRUCE H. TAYLOR, JR.

MICHAEL C. LICOPALI
 KAREN L. ROBINSON
 GARY R. OLSONSON
 JOHN S. COHEN
 MARK W. NELSON
 PHILIP R. LEHPHIER†
 LESLIE M. SULLIVAN
 ROBERT B. BRACON
 HERBERT R. RAY, JR.*
 E. SCOTT PALMER
 JILL E. OLOFSON
 JULIE L. TAYLOR
 LISA R. DORANUS
 STACEY MYERS GARRETT
 MICHAEL A. SITEMAN
 GORDON C. YOUNG
 WILLIAM J. BRIDGEMAN
 OSBOORNY A. BOSS
 RICHARD W. SMIEL
 PAUL I. HAWADA
 ELIZABETH R. LINDE
 LAUREN BANA FORBES
 PETER J. MORGAN III
 JEFFREY S. SIMON
 KELLY J. WYTHMAN
 ALISSA B. JAMES
 ELIZABETH I. ATLEE
 DANIEL J. FINNERTY
 GABRIELLE L. WILSON
 THADDEUS L. FANLI
 CRAIG E. HOLDEN
 ESTHER S. KIM
 KIMBERLY WOOD
 JOHN M. WHELAF
 LAUREN H. SCHWARTZ
 TERESA S. MACK
 CHRISTOPHER A. MILLER
 ELIZABETH C. CRANDALL
 D. SHANE BRUCE
 DENA L. MURPHY
 KATHLEEN K. HINOSH

LONG BEACH OFFICE
 400 OCEANBOATE
 P.O. BOX 1700
 LONG BEACH, CA 90801-1700
 (310) 498-8000
 TELECOPIER: (310) 498-7418

ANCHORAGE OFFICE
 SUITE 600
 1090 WEST 9TH AVENUE
 ANCHORAGE, ALASKA 99501-1990
 (907) 879-8000
 TELECOPIER: (907) 879-4800

SEATTLE OFFICE
 SUITE 2714
 1101 FIFTH AVENUE
 SEATTLE, WASHINGTON 98101
 (206) 698-0700
 TELECOPIER: (206) 643-8800

TELEX: KEESAL LDB
 090480

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 † ADMITTED IN WASHINGTON
 ‡ ADMITTED IN CALIFORNIA & WASHINGTON
 § ADMITTED IN CALIFORNIA & ALASKA
 ALL OTHERS ADMITTED IN CALIFORNIA

July 18, 1996

VIA TELECOPIER NO. (202) 219-3923

Colleen T. Sealander, Esq.
 Central Enforcement Docket
 Federal Election Commission
 Washington, D.C. 20463

Re: Your Reference No: MUR 4392
Our File No. 3940.1

Dear Ms. Sealander:

I represent Gary L. Walsh who received a copy of your June 28, 1996 letter on July 8, 1996. Mr. Walsh has executed the enclosed Statement of Designation of Counsel.

We respectfully request a twenty (20) day extension of time within which to respond to the Complaint in the above-entitled matter.

The alleged incident referenced in the Complaint purportedly took place in 1990 and Mr. Walsh has not been employed by Food Services of America since June of 1990. In view of the passage of time, we would appreciate additional time within which to review this matter and to prepare an appropriate response.

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 Jul 19 8 26 AM '96

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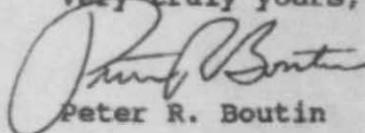
Via Telecopy

Colleen T. Sealander, Esq.
July 18, 1996
Page 2

Re: Your Reference No: MUR 4392
Our File No.: 3940.1

If you have any questions regarding the foregoing,
please let me know.

Very truly yours,



Peter R. Boutin

PRB:bs

cc: Gary L. Walsh (Via Telecopy)
(NO/LTR/96771)

9704379219

STATEMENT OF DESIGNATION OF COUNSEL

RECEIVED
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COMMISSION
OFFICE OF GENERAL
COUNSEL

JUL 19 3 34 PM '96

MUR 4392

NAME OF COUNSEL: MARK BRADEN

FIRM: BAKER & HOSTETLER

ADDRESS: SUITE 1100, WASHINGTON SQUARE

1050 CONNECTICUT AVENUE N.W.

WASHINGTON, D.C. 20036

TELEPHONE: (202) 861-1504 OFFICE (202) 861-1500 MAIN #.

FAX: (202) 861-1783

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.

authorized to:

7/11/96
Date

Ernest A. Snyder
Signature

RESPONDENT'S NAME: ERNEST A. SNYDER

ADDRESS: 4432 189TH AVE S.E.

ISSAQUAH, WA 98027

TELEPHONE: HOME (206) 643-3032

BUSINESS (206) 933-5004

9704379220

STATEMENT OF DESIGNATION OF COUNSEL

MUR _____

NAME OF COUNSEL: Mark Braden

FIRM: Baker & Hostetler

ADDRESS: Suite 1100

1050 Connecticut Ave

Washington DC 20036

TELEPHONE: (202) 861-1504

FAX: (202) 861-1783

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COMMISSION
OFFICE OF GENERAL
COUNSEL
JUL 19 3 34 PM '96

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.

7-15-96
Date

Robert W. Caswick
Signature

RESPONDENT'S NAME: ROBERT W. CASWICK

ADDRESS: 8815 TORRINGTON DR.
ROSWELL GA 30076

TELEPHONE: HOME 770-552-9427

BUSINESS 770-952-0871

7/16/96
174789

9704379220

STATEMENT OF DESIGNATION OF COUNSEL

MUR: All matters at the Federal Election Commission

NAME OF COUNSEL: E. Mark Braden

ADDRESS: Baker & Hostetler, Counsellors at Law
Washington Square, Suite 1100
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5304

TELEPHONE: (202) 861-1504

JUL 19 3 34 PM '96

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OFFICE OF GENERAL
COUNSEL

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

7/16/96
Date

David L. Bane
Signature

RESPONDENT NAME: Ron ~~Bane~~ BANE

ADDRESS: 15300 Bursley Drive
Tampa, Florida 33647

HOME PHONE: (813) 977-3042

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OFFICE OF GENERAL
COUNSEL

JUL 19 3 34 PM '96

STATEMENT OF DESIGNATION OF COUNSEL

MUR _____

NAME OF COUNSEL: MARK BRADEN

FIRM: BAKER & HOSTETLER

ADDRESS: SUITE 1100, WASHINGTON SQUARE

050 CONNECTICUT AVENUE N.W.

WASHINGTON, D.C. 20036

TELEPHONE: (202) 861-1506 OFFICE (202) 861-1500 MAIN F.

FAX: (202) 861-1783

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. authorized i.

18 JULY 96
Date

William F Floten
Signature

RESPONDENT'S NAME: WILLIAM F FLOTEW

ADDRESS: 8668 ISLAND DR. SO.

SEATTLE, WASH 98118

TELEPHONE: HOME (206) 725-4447

BUSINESS() _____

9704379220



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 22, 1996

Peter R. Boutin, Esq.
KEESAL, YOUNG & LOGAN
4 Embarcadero Center, Suite 1500
San Francisco, CA 94111

RE: MUR 4392

Dear Mr. Boutin:

This is in response to your letter dated July 18, 1996, requesting a 20 day extension to respond to the complaint filed in the above-noted matter. Although the request was submitted late, the Office of the General Counsel has granted the requested extension after considering the circumstances presented in your letter. Accordingly, your response is due by the close of business on August 5, 1996.

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

Sincerely,

Alva E. Smith, Paralegal
Central Enforcement Docket

9704379220

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COMMISSION
OFFICE OF GENERAL
COUNSEL

JUL 22 9 54 AM '96

Colleen T. Sealander, Attorney
Central Enforcement Docket
Federal Elections Commission
999 St. NW
Washington, DC 20463

RE: MUR 4392

Dear Ms. Sealander:

I received your letter dated June 28, 1996 regarding a complaint that your office received, and I will cooperate fully with your review.

Your letter refers to a complaint surrounding the contributions of Ken Wagner and Paul Junker, and a review of my files indicates that neither person contributed to my campaign.

With best wishes,



Pete von Reichbauer
15 July 1996

9704379220

LAW OFFICES

SHORT CRESSMAN & BURGESS P.L.L.C.

3000 FIRST INTERSTATE CENTER
999 THIRD AVENUE
SEATTLE, WASHINGTON 98104-4088
FAX: (206)340-8856
(206)682-3333

TELECOPIER TRANSMITTAL LETTER

Client/Matter Number: _____ Date: July 22, 1996
Sender: Dianna Time: 1:46 P.M. PST

PLEASE DELIVER THE FOLLOWING PAGES TO:

Name: Alva Smith
Company: Federal Election Commission
Fax No.: 1-202-219-3923
City: Washington, D.C.
From: Stephen P. Connor

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TOTAL NUMBER OF PAGES, INCLUDING THIS PAGE: 2

Message: Paul Junker, MUR 4392 -- Please find attached a copy of Mr. Junker's Statement of Designation of Counsel.

Original Mailed: NO

PLEASE CALL IMMEDIATELY IF YOU DO NOT RECEIVE ALL PAGES

NOTE: THE INFORMATION CONTAINED IN THIS FACSIMILE IS PRIVILEGED AND CONFIDENTIAL. IT IS INTENDED FOR THE USE OF THE INDIVIDUAL(S) NAMED ABOVE. ANY DISSEMINATION, DISTRIBUTION OR COPYING EXCEPT BY THE PERSON ABOVE NAMED, IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS FAX IN ERROR, PLEASE NOTIFY US BY TELEPHONE AND RETURN THE ORIGINAL VIA THE U.S. POSTAL SERVICE. THANK YOU.

9704379220

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4992

NAME OF COUNSEL: Shane P. Cressman

FIRM: Shurt Cressman & Burson, P.L.L.C.

ADDRESS: 3000 First Interstate Center

889 Third Avenue

Seattle, WA 98104

TELEPHONE: (206) 682-3333

FAX: (206) 340-8866

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.

authorized

July 19, 1996
Date

Paul J. Junker
Signature
PAUL J. JUNKER

RESPONDENT'S NAME: Paul J. Junker

ADDRESS: 7602 NE Leeward Road

Centers, WA 98007-9600

TELEPHONE: HOME (360) 334-1323

BUSINESS (803) 321-8221

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 23, 1996

Stephen P. Connor, Esq.
SHORT CRESSMAN & BURGESS P.L.L.C.
999 Third Avenue
Seattle, WA 98104-4088

RE: MUR 4392
Paul J. Junker

Dear Mr. Connor:

This is in response to your letter dated July 17, 1996, requesting a 10 day extension to respond to the complaint filed in the above-noted matter. Although the request was submitted late, the Office of the General Counsel has granted the requested extension after considering the circumstance presented in your letter. Accordingly, your response is due by the close of business on July 29, 1996.

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

Sincerely,

Alva E. Smith, Paralegal
Central Enforcement Docket

9704379220

LAW OFFICES
KEESAL, YOUNG & LOGAN
A PROFESSIONAL CORPORATION

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ANCHORAGE, ALASKA 99501-1801
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SEATTLE, WASHINGTON 98101
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OF COUNSEL
MICHAEL R. WOODRILL
KEENE M. TAYLOR, JR.

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TERESA R. WACK
CHRISTINE A. MILLER
ELIZABETH C. CRANDALL
D. SHANE BRUN
DEBRA L. HURFET
KATHLEEN S. WISNOR

July 31, 1996

VIA TELECOPIER NO. (202) 219-3923

Alva E. Smith
Paralegal
Central Enforcement Docket
Federal Election Commission
Washington, D.C. 20463

Re: Your Reference No.: MUR 4392
Our File No. 3940.1

Dear Ms. Smith:

Pursuant to our telephone discussion this morning, I am writing to request an additional ten (10) day extension of time within which to respond to the Complaint in the above-entitled matter. Accordingly, Mr. Walsh's Answer will be due in your offices by the close of business on August 15, 1996.

Thank you for your courtesy and cooperation in this matter.

Very truly yours,

Barbi E. Sloan
Secretary to Peter R. Boutin

(BEG\LTR\97471)

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 2, 1996

Peter R. Boutin, Esq.
KEESAL, YOUNG & LOGAN
4 Embarcadero Center, Suite 1500
San Francisco, CA 94111

RE: MUR 4392
Gary L. Walsh

Dear Mr. Boutin:

This is in response to your letter dated July 31, 1996, requesting an additional extension until August 15, 1996, to respond to the complaint filed in the above-noted matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on August 15, 1996.

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

Sincerely,

Alva E. Smith, Paralegal
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

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LONG BEACH, CA 90801-1700
(310) 498-9000
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1029 WEST 9RD AVENUE
ANCHORAGE, ALASKA 99501-1981
(907) 279-8688
TELECOPIER: (907) 279-4899

SEATTLE OFFICE
SUITE 2714
1501 FIFTH AVENUE
SEATTLE, WASHINGTON 98101
(206) 828-3790
TELECOPIER: (206) 843-8889

TELEX: KESAL 108
656480

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D. SHANE BRUN
DENA L. MURPHY
KATHLEEN M. RINOSE

OF COUNSEL
MICHAEL N. WOODELL*
KEESE H. TAYLOR, JR.

July 31, 1996

VIA TELECOPIER NO. (202) 219-3923

Alva E. Smith
Paralegal
Central Enforcement Docket
Federal Election Commission
Washington, D.C. 20463

Re: Your Reference No.: MUR 4392
Our File No. 3940.1

Dear Ms. Smith:

Pursuant to our telephone discussion this morning, I am writing to request an additional ten (10) day extension of time within which to respond to the Complaint in the above-entitled matter. Accordingly, Mr. Walsh's Answer will be due in your offices by the close of business on August 15, 1996.

Thank you for your courtesy and cooperation in this matter.

Very truly yours,

Barbi E. Sloan

Barbi E. Sloan
Secretary to Peter R. Boutin

(BEG\LTR\97471)

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COUNSEL

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BAKER
&
HOSTETLER
COUNSELLORS AT LAW

WASHINGTON SQUARE, SUITE 1100 • 1050 CONNECTICUT AVENUE, N.W. • WASHINGTON, D.C. 20036-5304 • (202) 861-1500
FAX (202) 861-1783 • TELEX 2357276
WRITER'S DIRECT DIAL NUMBER
(202) 861-1504

August 5, 1996

BY MESSENGER

Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463
Attn: Colleen T. Sealander, Esquire

Re: MUR 4392 - Services Group of America PAC et al.

Dear Ms. Sealander:

This firm is writing in response to the letter from the Federal Election Commission ("Commission") notifying our clients, Services Group of America Political Action Committee ("SGAPAC") and Dennis Specht as Treasurer, Services Group of America and its subsidiaries, Thomas J. Stewart, Robert W. Caswick, Ronald L. Bane, William Floten and Ernest A. Snyder, that the Commission had received a complaint from Paul Berendt, Chair of the Washington State Democratic Party alleging that these individuals and organizations may have violated the Federal Election Campaign Act of 1971, as amended ("Act"). You enclosed a copy of the Berendt letter and attachments with the correspondence.

The Commission has significant discretion to determine which matters it receives in complaint form are appropriate for opening a matter under review (M.U.R.) and commencing an investigation. This complaint does not provide the Commission with issues or circumstances which are appropriate for the Commission to open a matter under review.

The Commission's regulations require that complaints filed with the Commission contain a clear and concise recitation of facts which describe a violation of a statute or regulation over which the Commission has jurisdiction.¹

Most of the materials provided to the Commission by Mr. Berendt deal with matters outside the scope of the Commission's jurisdiction. Seattle newspaper articles and editorials are the sole basis for the complaint. These newspaper articles discuss principally

¹ 11 C.F.R. § 111.4(d)(3) (1995).

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COUNSEL

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contributions and expenditures supporting a local campaign to change the Seattle City Council from an at-large representational system to a district system. These activities were the subject of investigations and enforcement actions by local governmental agencies and are not matters appropriate for the Commission's review. Those few allegations which may arguably involve matters under the Commission's jurisdiction are from a time frame too distant to justify the Commission's beginning a review in the Fall of 1996.

The complaint makes no allegations based upon personal knowledge of Mr. Berendt. The allegations appearing in Mr. Berendt's complaint are drawn exclusively from newspaper accounts. Although the respondents question the wisdom of initiating a reason to believe finding based solely upon newspaper articles, it may be enlightening for the Commission to look at an article which Mr. Berendt did not include.² The Seattle press has contacted many individuals regarding the Services Group of America and affiliated organizations, including many employees and former employees. The Commission can conclude from the attached editorial that the Seattle press has not discovered in its investigation any improper federal political activities. Newspaper articles and editorials should not be the basis, without further information and documentation, for the Commission to commence a matter under review, but if they are, the Commission should be aware that there are press articles which do not provide support for the Commission to make a reason to believe finding.

The Commission's regulations do not contemplate investigation of the activities of individuals, businesses or campaigns based upon a request to investigate the "possibility" that a company or individual may have made impermissible contributions. Mr. Berendt's complaint does not provide a recitation of facts which describe a violation of any statute or regulation over which the Commission has jurisdiction in regards to contributions received by Mr. Von Reichbauer, a candidate in the Ninth Congressional District of Washington in 1992, from Services Group of America employees, SGAPAC, Tom Stewart or their relatives, nor do any of the exhibits or newspaper articles appended to the complaint by Mr. Berendt contain such a recitation of facts.

Mr. Berendt proposes that the Commission conduct an investigation regarding contributions to Mr. Von Reichbauer, simply "because Mr. Von Reichbauer received \$68,670 in contributions from Stewart and his associates in 1992."³ This is not a recitation of facts which describe a violation of a statute or regulation over which the Commission has jurisdiction. To simply state that the Commission should investigate the possibility that illegal acts may have occurred, without providing any support other than the fact that

² Attachment.

³ Page 2, Paul Berendt letter dated June 17, 1996.

9704379221

contributions were made, does not provide a basis for a Commission reason to believe finding. Clearly, the Commission's enforcement process does not contemplate the General Counsel Office having a generalized writ to investigate "possibilities." Complaints must provide a specific basis for the investigation before the Commission can vote to find a reason to believe a violation has occurred. The Commission has not been presented with adequate reasons to believe a violation has occurred.

Messrs. Bane, Caswick, Junker and Wagner made no contributions to Services Group of America Political Action Committee ("SGAPAC") after 1990. The Commission is barred from seeking penalties in suits involving actions outside the five-year period of limitation expiration.⁴ The statute of limitation at 28 U.S.C. § 2462 applies in all instances except those involving statutes in which Congress has specifically included another time of limitation. The Act does not contain such an alternative statute of limitation, so a five-year statute of limitation applies in this matter.

9 7 0 4 3 7 9 2 2 1
Regardless of whether the statute of limitation bars actions against these individuals, compelling policy reasons counsel against opening a matter involving contributions made more than six years ago. While we recognize the Commission's duty to enforce the provisions of the Act, the Commission should decline to do so when the passage of time is so great as to make any enforcement action problematic and abusive of respondents' rights. It is unlikely that the individuals involved have detailed and lucid memory of events which are more than six years distant. Moreover, any pertinent documents in the possession of either the individuals or the Company probably have been discarded. Thus, as a policy matter, the Commission should decline to open a M.U.R. on this complaint because the delay is so great as to undermine the individuals' ability to respond satisfactorily.

It is always a concern when accused individuals are unable to defend themselves adequately against potential civil penalties. However, when the action involves First Amendment activities, it is even more important that individuals have the ability to fully and fairly defend themselves to ensure they are not being prosecuted for lawfully engaging in constitutionally protected political activities. Political expression is a fundamental First Amendment activity. Regulation of these activities under the Act and Commission

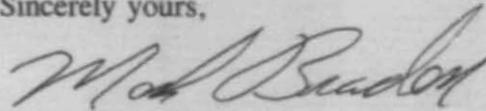
⁴ See 28 U.S.C. § 2462 (1995) ("an action . . . for the enforcement of any civil fine, penalty or forfeiture . . . shall not be entertained unless commenced within five years from the date when the claim first accrued"); FEC v. National Republican Senatorial Committee, 877 F. Supp. 15, 18 (D.D.C. 1995) (holding that § 2462 applies to FEC civil enforcement action); see also FEC v. National Right to Work Committee, Inc., 916 F. Supp. 10 (D.D.C. 1996) (same).

Office of General Counsel
Federal Election Commission
August 5, 1996
Page 4

regulations can lead to a chill on activities of speech and association. There are numerous other obvious policy reasons for the Commission to refuse to use its limited resources on issues arising from periods so distant from the present, but the fundamental reason is that it is totally unacceptable for any government regulator to wield the threat of an open-ended penalty.⁵

For these reasons, the Commission should close this matter with no further action.

Sincerely yours,



E. Mark Braden

EMB/rvn

Enclosure

9704379221

D:\1735\85577\96001\FEC.805

⁵ 3M Co. v. Browner, 17 F.3d 1453 (D.C. Cir. 1994).

Disclosure laws light money trail

Follow the money," that Watergate-era imperative, continues to be sound advice today. It was by following the money that public officials and Post-Intelligencer reporters were able to document how far the fingers of Thomas Stewart, his companies, his employees and political action committees reach into politics and public policy.

Indeed, it was Stewart's deliberate attempt to avoid disclosure of his involvement in the campaign to remodel Seattle city government that earned Stewart, employees and associates settlement penalties of \$62,000.

In contrast, Stewart's political contributions of about \$1.2 million since 1990 to candidates and to the state Republican Party, subsequently revealed, appear to have been legitimate and to have met all requirements of disclosure regulations. Such disclosure of information is essential to enable voters to consider sources of financial support when evaluating candidates and ballot measures.

The U.S. Supreme Court on Wednesday greatly expanded the freedom of political parties to spend money to promote congressional candidates. In a 7-2 vote, the high court declared in a Colorado case that as long as a political party spends money independently of any candidate's campaign, federal limits on contributions in congressional races do not apply.

One way of trying to counter the obviously corrosive effects of escalating costs of political campaigns is to somehow limit contributions or expenditures or both, abetted by the balancing factor of public campaign funds. Such countermeasures, however, have pronounced constitutional conflicts, as illustrated by Wednesday's ruling.

Political prospects for reform are dim also. On Tuesday the U.S. Senate effectively killed campaign finance

reform legislation by refusing to end a Republican filibuster. Washington Republican Sen. Slade Gorton, who garnered nearly \$1.2 million in political action committee contributions during his 1994 re-election campaign, said the proposed legislation's ban on PACs might be unconstitutional.

With neither the courts nor the Congress likely to institute enhanced controls on either contributions or spending, public disclosure will continue to be the citizens' primary weapon against perversion of the electoral process. And perhaps full disclosure is the most democratic form of political campaign finance control. As long as informed, involved citizens — and their surrogates in the news media — are willing to follow the money, to see who's bankrolling what candidates and which measures, the power of money is held somewhat in check.

Manipulation of elections breeds best in the dark. Public disclosure laws force the light of public scrutiny into the dim cracks and corners, exposing for all those willing and able to see the connections, conflicts of interest and vested interests that lie between the players. Those interested in good government, then, must fight for expanded disclosure requirements and adequate public funding of agencies that collect, monitor and distribute such information.

Voters are not dummies. They understand the role of money in the political process and the access and influence it can buy. They are capable of analyzing both the motivations of those spending the money and the character of those taking it and coming to their own conclusions about each.

But to conduct that analysis, voters first must be able to do one fundamental thing: Follow the money — impossible without broad, strict public disclosure laws and enforcement.

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OF COUNSEL
MICHAEL M. WOODRILL
REESE H. TAYLOR, JR.

August 13, 1996

VIA TELECOPIER NO. (202) 219-3923

Colleen T. Sealander, Esq.
Central Enforcement Docket
Federal Election Commission
Washington, D.C. 20463

Re: Your Reference No: MUR 4392
Gary L. Walsh
Our File No. 3940.1

Dear Ms. Sealander:

We write on behalf of our client, Gary L. Walsh, in response to your June 28, 1996 letter in which you advised that the Federal Election Commission ("Commission") has received a complaint from Paul Berendt, Chair of the Washington State Democratic Party.

It is our understanding that the Commission has significant discretion to determine which matters it receives in complaint form are appropriate for opening a matter under review ("M.U.R.") and commencing an investigation. For the reasons set forth below, we respectfully submit that the complaint does not provide the Commission with issues or circumstances which are appropriate to open a M.U.R.

First, most of the materials provided to the Commission by Mr. Berendt deal with matters outside the scope

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Via Telecopy

Colleen T. Sealander, Esq.
August 13, 1996
Page 2

Re: Your Reference No: MUR 4392
Our File No.: 3940.1

of the Commission's jurisdiction. The hearsay statements contained in the newspaper articles submitted to the Commission discuss primarily contributions and expenditures for a local campaign to change the Seattle City Counsel from at-large representational system to a district system. These activities were the subject of investigations and enforcement actions by local governmental agencies and are not matters within the Commission's jurisdiction.

Second, the complaint does not state facts which describe a violation of a statute or regulation over which the Commission has jurisdiction. It is abundantly clear that the Commission has not been presented with reasons -- let alone adequate reasons -- to believe a violation within its jurisdiction has occurred.

Third, the complaint contains hearsay allegations which are not based upon Mr. Berendt's personal knowledge.

Fourth, the only specific reference to Mr. Walsh in the complaint relates to a purported incident which allegedly occurred over six years ago in 1990.¹ Any matter which the Commission might pursue is time-barred by the five year statute of limitation contained in 28 U.S.C. Section 2462. See, FCC v. National Republican Senatorial Committee, 877 F.Supp 15, 18 (D.D.C. 1995); see also, FCC v. National Right To Work Committee Inc. 916 F.Supp. 10, 13 (D.D.C. 1996).

Fifth, even if this matter were not clearly time-barred, it is readily apparent that it is so stale that it would violate fundamental notions of due process and fair play to require Mr. Walsh to respond at this late date. Further, in view of the substantial passage of time, we respectfully submit that the Commission should not employ its limited resources in pursuing this matter.

¹ Please be advised that Mr. Walsh left the employ of Food Services of America in June of 1990.

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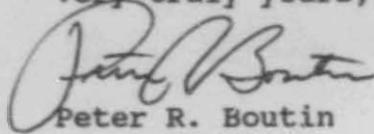
Via Telecopy

Colleen T. Sealander, Esq.
August 13, 1996
Page 3

Re: Your Reference No: MUR 4392
Our File No.: 3940.1

For the foregoing reasons, we respectfully request that the Commission close this matter as against Mr. Walsh with no further action.

Very truly yours,


Peter R. Boutin

PRB:bs
(bs/ltr/97984)

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Stewart aide linked to ads

BY ERIC FRYNE
Seattle Times staff reporter



A top aide to millionaire businessman and Republican donor Thomas Stewart is listed as treasurer of a new committee sponsoring controversial last-minute newspaper advertisements attacking

3rd District Democratic congressional candidate Brian Baird.

But a spokesman for Stewart's company said the firm had nothing to do with the committee or the ads, and that company vice president Lincoln Ferris was not involved in preparing them.

Baird, a Pacific Lutheran University psychology professor, is chal-

lenging Rep. Linda Smith, R-Hazel Dell.

The full-page newspaper ads, which appeared in several South-west Washington newspapers starting Sunday, include a picture of a bearded, longer-haired Baird "in January of 1996."

It says Baird was the president of "the Pierce County Sierra Club," opposed a balanced-budget amendment and "supported the federal government running our health care system."

"Here's Brian Baird now," the ad continues, displaying a photo of a clean-shaven Baird. "Today's Brian Baird claims to be a 'moderate.' Which Brian Baird do you believe?"

The ad was paid for by a group calling itself Washingtonians for Environmental Balance.

Baird's campaign said the older picture was taken in 1993 and was

stolen from a PLU bulletin board last month. It also said the ad misrepresents Baird's positions.

A spokeswoman for the Federal Election Commission in Washington, D.C., said Washingtonians for Environmental Balance registered with the FEC on Friday. Ferris, the treasurer, is the only officer listed in registration papers.

The committee has not yet submitted information on its contributors or expenditures.

Stewart, Ferris' boss, is a major contributor to GOP candidates and conservative causes. Earlier this year he admitted he had violated Seattle campaign-spending laws by secretly funneling money into a city-charter amendment campaign.

Stewart settled with the city by paying a \$60,000 fine. The state attorney general's office also is investigating the matter.

Ferris and Stewart each have contributed to Smith's congressional campaign. State Democratic Chairman Paul Berendt yesterday issued a statement charging Stewart and his company, Services Group of America, "will stop at nothing to try and tip the balance and buy the election for Linda Smith."

But Services Group spokesman Steve Boyer said the company has no connection and has given no money to Washingtonians for Environmental Balance. Ferris' involvement with the committee was as an individual.

Ferris could not be reached for comment.

Baird had a beard until January. Smith's campaign has published literature that includes another photo of a bearded, longer-haired Baird and labels him an "anti-logging campus activist."

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CAROLYN M. VAN NOY
Executive Director



City of Seattle
Ethics and Elections Commission

BY EMELYN CRUZ LAT
Seattle Times South bureau

RENTON — A 25-year veteran of the King County Police has placed on paid administrative pending results of an internal investigation involving criminal

The officer was placed on leave in early September, said police spokesman Jerrell Wills declined to specify any charges under investigation.

The officer, a Renton res-

Vladimir Ilyich had the answer

EMMETT WATSON
Seattle Times columnist



To explain how I came to visit the statue of Vladimir Ilyich Ulyanov might put you in a

have put him in a class with Jesse James, possibly ever: Robert Vesco.

As things turned out, Lenin founded the USSR and served as its first dictator.

One of his early rulings was that nobody could move to Moscow. He froze the population, no matter how much praise Moscow got from

mortal souls will increase by about 44 percent.

Zounds! That's 2,359,640 more souls, mortal or immortal.

Meanwhile, at the feet of Lenin's statue, I noticed a large sign close to his chin: "Taco del Mar," a Mexican-food joint.

I walked over to Taco del Mar



BEFORE THE SEATTLE ETHICS AND ELECTIONS COMMISSION

JAN 3 10 00 AM '97

In the Matter of
CITIZENS FOR A
COMMUNITY BASED
CITY COUNCIL

)
) No. 96-2-0201-1
)
) PROPOSED SETTLEMENT
) With Thomas Stewart

This proposed settlement is the culmination of an investigation, legal review and correspondence and discussion between the parties and their counsel pursuant to an audit of the Citizens For A Community Based City Council which produced evidence that gave the Executive Director reason to believe that a violation of the Seattle Elections Code had occurred. The following findings, conclusions and agreements will be binding upon the parties to this agreement, their successors, heirs and assigns, if the agreement is fully executed, and if accepted by the Seattle Ethics and Elections Commission, and not otherwise.

STIPULATED FINDINGS OF FACT

1. Thomas Stewart owns more than fifty percent (50%) of the voting shares of Services Group of America, a corporation located at 4025 Delridge Way S.W., Seattle, Washington 98106.
2. In June 1995, Mr. Stewart was informed by Richard Schrock, a campaign consultant for Citizens For A Community Based City Council (CCBCC), that CCBCC needed approximately thirty-five thousand dollars (\$35,000) to pay signature gatherers to ensure that the Fall ballot would include the proposed Seattle City Charter amendment that would change the election of city councilmembers from at-large to election from districts of residence.
3. Mr. Stewart supported a change in the way council members are elected, so he wanted to support this effort. Mr. Stewart did not, however, wish to have his name or Services Group of America on a list of contributors to the CCBCC campaign, because he was seeking a permit from the then current Seattle City Council to locate a helicopter pad on the Services Group of America property. Mr. Stewart's dispute with the City over the helicopter pad had been active for several years.
4. Thus, Mr. Stewart discussed with Larry Riggs, President of Services Group of America, the possibility of providing the funds for a thirty-five thousand dollar (\$35,000) CCBCC contribution to someone who would write the contribution check. Mr. Riggs agreed to ask Thomas Benton, a developer who had expressed frustration with the City in his business and who would probably agree to act as the contributor and accept reimbursement from Mr. Riggs.
5. On or about June 30, 1995, Mr. Riggs contacted Mr. Benton and gave him a check for thirty-five thousand dollars (\$35,000) drawn on Mr. Riggs's account, in return for a thirty-five thousand dollar (\$35,000) check written to CCBCC. Later, Mr. Stewart reimbursed Mr. Riggs for the thirty-five thousand dollars (\$35,000) from Services Group of America funds. This contribution was

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Proposed Settlement With Thomas Stewart

May 28, 1996

Page - 2

reported by CCBCC as received from Mr. Benton on July 3, 1995 and appeared on a C-3 report timely filed on July 21, 1995 with the Seattle City Clerk and with the Washington State Public Disclosure Commission. Sufficient signatures were gathered to place the proposed charter amendment on the November 7, 1995 ballot.

6. In late October 1995, Mr. Schrock, or someone representing CCBCC, told Mr. Stewart that CCBCC needed twenty-five thousand dollars (\$25,000) for advertising just before the November 7 election, to counter advertising by the opponents to the charter amendment. Mr. Stewart was told or understood, however, that he could not just submit a twenty-five thousand dollar (\$25,000) check to the campaign, because the law prohibits contributions of more than five thousand dollars (\$5,000) during a period close to the general election.

7. Mr. Stewart and Mr. Riggs agreed that Mr. Stewart would find two people to write contribution checks to CCBCC for five thousand dollars (\$5,000) each and Mr. Stewart would use Services Group of America funds to give the two people the ten thousand dollars (\$10,000) to cover the checks. They further agreed that Mr. Riggs would find three people to write checks for five thousand dollars (\$5,000) each and Services Group of America would give Mr. Riggs the fifteen thousand dollars (\$15,000) to cover the checks, but Mr. Riggs would eventually pay back the fifteen thousand dollars (\$15,000) to Services Group of America.

8. On or about October 26, 1995, Mr. Stewart had lunch with Mr. John Y. Kita at the Busch Garden Restaurant in the International District. Mr. Stewart has known Mr. Kita for nearly 30 years. Mr. Stewart told Mr. Kita that he had a ten thousand dollar (\$10,000) check for him, drawn on the Services Group of America account, and asked that Mr. Kita write a five thousand dollar (\$5,000) check to CCBCC and ask his partner, Cody Rembe, to do the same. Mr. Stewart gave Mr. Kita the address of CCBCC, so he could mail the checks to them.

9. After lunch, Mr. Kita took the ten thousand dollar (\$10,000) check from Mr. Stewart, returned to his office and asked Mr. Rembe to write a five thousand dollar (\$5,000) check to CCBCC to assist Mr. Stewart who had provided the money to reimburse him for the five thousand dollar (\$5,000) contribution. Mr. Rembe wrote a five thousand dollar (\$5,000) personal check to CCBCC. Mr. Kita then wrote a five thousand dollar (\$5,000) personal check to CCBCC and mailed his check and Mr. Rembe's check to CCBCC. These contribution checks were reported by CCBCC as received from Mr. Kita and Mr. Rembe on October 28, 1995 on a C-3 which CCBCC filed with the Seattle City Clerk and with the Washington State Public Disclosure Commission on October 31, 1995.

10. On or about October 28, 1995, Mr. Riggs played golf with Mr. Neil F. Wakley and asked him to write a check for five thousand dollars (\$5,000) to CCBCC and he would pick up the contribution check and leave a check for five thousand dollars (\$5,000) to cover the contribution. On October 30, 1995, Mr. Riggs went to Mr. Louis Cozzetti's business on N.E. 116th in Bellevue, Washington, gave Mr. Cozzetti a personal check for five thousand dollars (\$5,000) and asked him to write a check to CCBCC, which he would then have delivered to the campaign. Mr. Cozzetti took Mr. Riggs's check, wrote a personal check to CCBCC and gave it to Mr. Riggs. Mr. Riggs

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then went to the office across from Mr. Cozzetti and gave Mr. Lewis Brunhaver a personal check for five thousand dollars (\$5,000) and asked that he write a personal check for five thousand (\$5,000) to CCBCC, which Mr. Riggs then took with him. Mr. Riggs then went to Mr. Wakley's office on N.E. 108th, in Bellevue, Washington, and picked up Mr. Wakley's personal check for five thousand dollars (\$5,000) payable to CCBCC. Mr. Riggs took the checks back to his office and asked a Services Group of America employee to have the three checks delivered to CCBCC.

11. The contribution checks from Mr. Wakley, Mr. Cozzetti and Mr. Brunhaver were deposited by CCBCC on November 1, 1995. They should have been reported on November 3, 1995, but CCBCC did not report them until January 10, 1996. On a C-3 filed by CCBCC on January 10, 1996 with the Seattle City Clerk and with the Washington State Public Disclosure Commission the checks were reported as received on November 3, 1995.

12. Mr. Stewart admits that he intended to conceal his identity and the identity of Services Group of America as the source of the sixty thousand dollars (\$60,000) campaign contributions made to CCBCC in 1995 (\$45,000 from Mr. Stewart and Services Group of America and \$15,000 from Mr. Riggs). Mr. Stewart wished to conceal from the then current City Council his identity as a major contributor to the CCBCC campaign, because for the past few years, he had been involved in a dispute with the City regarding a helicopter pad that he wanted a City Council permit to locate on his business property. In addition, Mr. Stewart wished to conceal from the public his identity as the source of the contributions because he did not want the public to perceive that the CCBCC campaign was only supported by large corporate interests. Mr. Stewart assumed that if he contributed to the campaign in his own name or in the name of Services Group of America, that would become known to the City Council and to the public.

13. When he became aware of the Executive Director's investigation of this matter, Mr. Stewart came forward with his admission of the facts stated above and cooperated fully with the Executive Director. In fact, he advised the Executive Director of three contributions about which she had no previous knowledge (contributions to CCBCC from Benton, Kita and Rembe).

RELEVANT PROVISIONS OF LAW

14. SMC 2.04.290(A) provides:

No contribution shall be made and no expenditure shall be incurred, directly or indirectly, in a fictitious name, anonymously, or by one person through an agent, relative, or other person in such a manner as to conceal the identity of the source of the contribution or in any other manner so as to effect concealment.

15. Seattle Ethics and Elections Commission Elections Code Rule 4.13 provides:

Any contribution made by a corporation in which one individual owns a majority of the voting shares of such corporation shall be attributed to the individual owning

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the majority of the voting shares. Such contributions shall be reported on a C-3 as contributions from the individual owning the shares and the amount of the contribution shall be included in the individual's aggregate contributions to the campaign. A note shall accompany the C-3 report that includes the amount of the contribution, the name and address of the corporate entity and the name of the individual to whom the contribution was attributed.

CONCLUSIONS OF LAW

16. The Executive Director finds that there are reasonable grounds to believe that Mr. Thomas Stewart violated SMC 2.04.290(A) when, through Mr. Riggs, he provided Mr. Thomas Benton with thirty-five thousand dollars (\$35,000) to make a campaign contribution to CCBCC with Mr. Benton's personal check and the contribution was made and reported as a contribution from Thomas Benton.

17. The Executive Director finds that there are reasonable grounds to believe that Mr. Thomas Stewart violated SMC 2.04.290(A) when Mr. Stewart gave Mr. John Y. Kita ten thousand dollars (\$10,000) from which Mr. Kita was to make a campaign contribution of five thousand dollars (\$5,000) to CCBCC with his personal check, and that contribution was made and reported as a contribution from Mr. John Y. Kita.

18. The Executive Director finds that there are reasonable grounds to believe that Mr. Thomas Stewart violated SMC 2.04.290(A) when Mr. Stewart gave Mr. John Y. Kita ten thousand dollars (\$10,000) from which Mr. Rembe was to make a campaign contribution of five thousand dollars (\$5,000) to CCBCC with his personal check, and that contribution was made and reported as a contribution from Mr. Cody Rembe.

19. The Executive Director finds that there are reasonable grounds to believe that Mr. Thomas Stewart violated SMC 2.04.290(A) when Mr. Stewart authorized the use of fifteen thousand dollars (\$15,000) in Service Group of America funds for Mr. Riggs to distribute to three persons who would each make campaign contributions to CCBCC by writing five thousand dollars (\$5,000) personal checks to CCBCC and one of those contributions was made and reported as a contribution from Mr. Neil F. Wakley.

20. The Executive Director finds that there are reasonable grounds to believe that Mr. Thomas Stewart violated SMC 2.04.290(A) when Mr. Stewart authorized the use of fifteen thousand dollars (\$15,000) in Service Group of America funds for Mr. Riggs to distribute to three persons who would each make campaign contributions to CCBCC by writing five thousand dollars (\$5,000) personal checks to CCBCC and one of those contributions was made and reported as a contribution from Mr. Louis Cozzetti.

21. The Executive Director finds that there are reasonable grounds to believe that Mr. Thomas Stewart violated SMC 2.04.290(A) when Mr. Stewart authorized the use of fifteen thousand

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dollars (\$15,000) in Service Group of America funds for Mr. Riggs to distribute to three persons who would each make campaign contributions to CCBCC by writing five thousand dollars (\$5,000) personal checks to CCBCC and one of those contributions was made and reported as a contribution from Mr. Lewis Brunhaver.

AGREEMENT

22. Thomas Stewart admits that he has violated the Seattle Elections Code by concealing the source of the contributions that he and his company, Services Group of America, made to the CCBCC campaign in 1995. As a result, he agrees to pay the City the amount of the illegal forty-five thousand dollar (\$45,000) campaign contributions that were made by him and his company. Therefore, he agrees to deliver to the Commission at the meeting at which this agreement is accepted, tentatively June 5, 1996, forty-five thousand dollars (\$45,000) in a negotiable instrument, payable to the City of Seattle.

23. The signatory parties, including the Executive Director, the Seattle Ethics and Elections Commission and Mr. Thomas Stewart (the parties), agree that this settlement agreement, upon the Commission's approval, will constitute, insofar as is legally possible, a full and final settlement between the parties, as to all facts, actions, controversies and matters that have occurred or may have occurred relating to campaign contributions to CCBCC in the names of Thomas Benton, John Kita, Cody Rembe, Neil F. Wakley, Louis Cozzetti, and Lewis Brunhaver when the source of the funds was Services Group of America, Thomas Stewart or Larry Riggs, and each of the parties does forever release, acquit and discharge each party, its present or former officials, employees, agents, representatives, heirs and assigns from all present and future claims, demands, damages, costs (specifically including attorneys' fees and costs), action or cause of action arising out of or in any way related to campaign contributions to CCBCC in the names of Thomas Benton, John Kita, Cody Rembe, Neil F. Wakley, Louis Cozzetti, and Lewis Brunhaver when the source of the funds was Services Group of America, Thomas Stewart or Larry Riggs, or arising out of or in any way related to the acts or omissions of the Commission, its members, agents, or employees in handling the matter filed under Ethics and Elections Commission Case No. 96-2-0201-1 and any events related thereto.

24. The parties agree that the Commission's review of this proposed settlement agreement does not preclude the Commission from hearing this case in the event that the Commission rejects this agreement and calls for a hearing or that Thomas Stewart rejects this agreement or any modification thereof and requests a hearing.

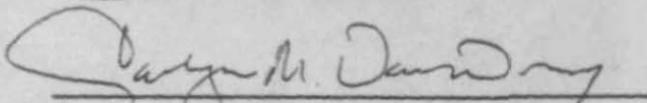
25. The parties agree that this settlement agreement incorporates and supersedes any and all other oral and written agreements and assurances of any and all kinds between the parties, and that there are no other written or oral agreements that alter or modify this agreement.

26. The parties agree that if Mr. Stewart breaches this agreement, the Commission will be entitled to hold a special meeting or a regular public meeting to issue a determination that Mr. Stewart has

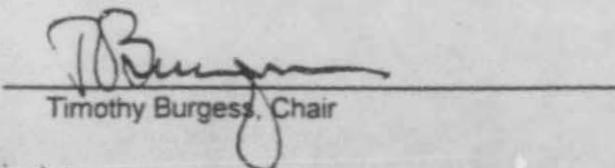
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violated the Seattle Elections Code and to issue an order imposing a sanction of one thousand dollars (\$1,000) for each violation listed in this agreement in paragraphs 16, 17, 18, 19, 20 and 21 under **CONCLUSIONS OF LAW**, pursuant to SMC 2.04.500.

Date: 5/28/96 
Seattle, Washington THOMAS STEWART

Date: 5-28-96 
Seattle, Washington Carolyn M. Van Noy, Executive Director,
Seattle Ethics and Elections Commission

FOR THE SEATTLE ETHICS AND ELECTIONS COMMISSION

Date: 6/5/96 
Timothy Burgess, Chair

Executed at Seattle, Washington

This action was reviewed and approved by the Commission at its regular meeting of June 5, 1996.
The Commission members voting to take this action were:

Timothy Burgess, Chair
Lue Rachelle Brim-Atkins
Daniel J. Ichinaga
John A. Loftus
Catherine L. Walker
Jeri A. Rowe

Commission member Marc A. Boman has recused himself from this matter.

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BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

MAR 4 3 10 PM '97

In the Matter of)

) 28 U.S.C. § 2462

) Statute of Limitations

)
)
)
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)
)
SENSITIVE

MAR 11 1997

GENERAL COUNSEL'S REPORT

EXECUTIVE SESSION

I. INTRODUCTION

On December 26, 1996, the United States Court of Appeals for the Ninth Circuit issued a decision in *Federal Election Commission v. Williams*, No. 95-55320 (9th Cir. Filed Dec. 26, 1996). That decision held, *inter alia*, that the five-year statute of limitations for filing suit to enforce a civil penalty established at 28 U.S.C. § 2462 applies not only to judicial proceedings to enforce civil penalties already imposed, but also to proceedings seeking the imposition of these penalties, including the Commission's law enforcement suits under 2 U.S.C. § 437g(a)(6).

As noted in the memorandum regarding the filing of a petition for rehearing, the Office of General Counsel believes that the Commission should accept the court's core application of 28 U.S.C. § 2462 to its enforcement suits as the current state of the law. See Memorandum to the Commission, *Petition for Rehearing, and Suggestion for Rehearing En Banc, In Federal Election Commission v. Williams*, dated January 10, 1997. As also noted, however, we have sought further review of the court's decision

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MAR 11 1997
FEDERAL ELECTION COMMISSION
SECRETARIAT

relating to issues of equitable relief and equitable tolling.¹ *Id.* See also *FEC v. NRSC*, 877 F. Supp. 15, 21 (D.D.C. 1995).

This General Counsel's Report discusses the impact of 28 U.S.C. § 2462 on the Office of General Counsel's enforcement caseload.² This Report describes the active and inactive enforcement matters which are potentially affected by the application of the five-year statute of limitations under 28 U.S.C. § 2462, and makes recommendations for each of the potentially affected matters. This Report addresses all cases where the statute of limitations potentially expires, or partially expires, by the end of calendar year 1997 (December 31, 1997).

The Office of General Counsel is recommending that

18 matters be closed at this time. By doing so, this Office believes that it will be able to devote more resources toward more recent activity, particularly those matters that arose from the 1996 election cycle. To avoid potential statute of limitations problems in the future, this Office will track its cases against the relevant statute of limitations and will perform regular reviews of its caseload. In addition, this Office will be making periodic recommendations to the Commission with respect to matters that may be affected by the application of the five-year statute of limitations under 28 U.S.C. § 2462.

¹ Pending the court's decision, issues such as equitable relief, equitable tolling and ongoing violations, will remain open. In some instances, although issues such as equitable tolling and equitable relief may still be viable, this Office has cited other factors to support our recommendation to close the matter. See, e.g., cases involving apparent violations of 2 U.S.C. § 441a(f).

² This Report addresses enforcement matters assigned to the Public Financing, Ethics & Special Projects ("PFESP") and Enforcement areas.

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III. RECOMMENDATIONS

The Office of General Counsel recommends that the Commission:

A. Decline to open a MUR, close the file, and approve the appropriate letters in Pre-MUR 344.

B. Take no action, close the file and approve the appropriate letters in the following matters:

1. MUR 4267
2. MUR 4370
3. MUR 4392
4. MUR 4432
5. MUR 4468
6. MUR 4591
7. MUR 4614

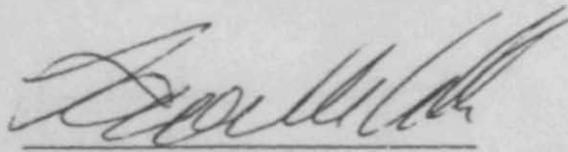
C. Take no further action, close the file and approve the appropriate letters in the following matters:

1. MUR 3351
2. MUR 3571
3. MUR 3582
4. MUR 3586
5. MUR 3838
6. MUR 3841
7. MUR 3969
8. MUR 4091
9. MUR 4183
10. MUR 4209

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3/4/97
Date


Lawrence M. Noble
General Counsel

MUR 4392 (Services Group of America PAC)
(complaint-generated)('92, '94 cycles)
Central Enforcement Docket

Paul Berendt, Chair of the Washington State Democratic Party, filed this complaint in June 1996. He alleges that the Services Group of America PAC is sponsored by several corporations that are privately held by Thomas Stewart. He further alleges that employees of these corporations were given bonuses with the stipulation that the employees make a \$1,000 contribution to the PAC. He also alleges that in 1992 employees of companies owned by Stewart were given bonuses and then made contributions to the Peter von Richbauer committee. In some cases, contributions were also made in the name of the employees' wives. The City of Seattle took action on related non-federal matters in mid-1996. Since all federally-related activity now appears to be beyond the statute of limitations, we recommend that this case be closed.

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C. Take no further action, close the file, and approve the appropriate letters in the following matters:

1. MUR 3351;
2. MUR 3571;
3. MUR 3582;
4. MUR 3586;
5. MUR 3838;
6. MUR 3841;
7. MUR 3969;
8. MUR 4091;
9. MUR 4183;
10. MUR 4209.

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

(continued)

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Federal Election Commission
Certification: Agenda Document
#X97-15
March 11, 1997

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Attest:

3-12-97
Date

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



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 13, 1997

Patricia Bulzomi
1921 SW 32th Street
Federal Way, WA 98023

RE: MUR 4392

Dear Ms. Bulzomi:

On June 28, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against you. Accordingly, the Commission closed its file in the matter on March 11, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

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

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 13, 1997

E. Mark Braden, Esquire
BAKER & HOSTETLER
Washington Square, Suite 1100
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5304

RE: MUR 4392

Ernest Snyder, William F. Floten, Robert W. Caswick, and Ron Bane

Dear Mr. Braden:

On June 28, 1996, the Commission notified Ernest Snyder and William Floten of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). Also, on July 2, 1996, the Federal Election Commission notified Robert Caswick and Ron Bane of a complaint alleging certain violation of the Act. A copy of the complaint was enclosed with those notifications.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against your clients. Accordingly, the Commission closed its file in this matter on March 11, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

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

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

9704379223



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 13, 1997

Kenneth P. Wagner
P.O. Box 3547
Seattle, WA 98124-3547

RE: MUR 4392

Dear Mr. Wagner:

On June 28, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against you. Accordingly, the Commission closed its file in the matter on March 11, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

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

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 13, 1997

Peter von Reichbauer
P.O. Box 3737
Federal Way, WA 98063

RE: MUR 4392

Dear Mr. Reichbauer:

On June 28, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against you. Accordingly, the Commission closed its file in the matter on March 11, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

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

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 13, 1997

Peter R. Boutin
KEESAL, YOUNG & LOGAN
4 Embarcadero Center, Suite 1500
San Francisco, CA 94111

RE: MUR 4392
Gary L. Walsh

Dear Mr. Boutin:

On June 28, 1996, the Federal Election Commission notified your client, Gary L. Walsh, of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against your client. Accordingly, the Commission closed its file in the matter on March 11, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

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

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 13, 1997

Stephen P. Connor, Esquire
SHORT CRESSMAN & BURGESS, P.L.L.C.
3000 First Interstate Center
999 Third Avenue
Seattle, WA 98104-4088

RE: MUR 4392
Paul J. Junker

Dear Mr. Connor:

On June 28, 1996, the Federal Election Commission notified your client, Paul J. Junker, of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against your client. Accordingly, the Commission closed its file in the matter on March 11, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

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

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

97043792241



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 13, 1997

William H. Schweitzer, Esquire
E. Mark Branden, Esq.
BAKER & HOSTETLER
Washington Square, Suite 1100
1050 Connecticut Avenue, Suite 1100
Washington, D.C. 20036-5304

RE: MUR 4392
Services Group of America PAC et al.

Dear Messrs. Schweitzer and Branden:

On June 28, 1996, the Federal Election Commission notified your clients, Service Group of America PAC; Dennis Specht, as treasurer; Services Group of America; its subsidiaries; and Thomas J. Stewart, of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against your clients. Accordingly, the Commission closed its file in this matter on March 11, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

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

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 13, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul Berendt, Chair
Washington State Democratic Party
PO Box 4027
Seattle, WA 98104

RE: MUR 4392

Dear Mr. Berendt:

On June 21, 1996, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action in the matter. Accordingly, the Commission closed its file in this matter on March 11, 1997. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437(g)(a)(8).

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4392

DATE FILMED 4-16-97 CAMERA NO. 1

CAMERAMAN JMA

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