FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 498

Date Filmed 6/14/79 Camera No. --- 2

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FEDERAL ELECTION COMMISSION

Appendix I of Harris Audit

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

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

Signed Robert Bogu

date 5/21/79

FEC 9-21-77

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JERRY LEBOVITZ

PAY TO THE ORDER OF Federal Elec Comm 11-22 1978 1071

8-26
430

One hundred and $100 00/100

PITT OFFICE
Mellon Bank N.A.
Pittsburgh, Pennsylvania

MEMO

DOLLARS

⑆0430⑈0026⑆ 435⑈4826⑈ 1071

Jerry Lebovitz

498

Federal Election Comm
1325 K St. N.W
Washington DC
20463

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ALWAYS USE
ZIP
15 OLIVER WENDELL HOLMES

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Western Pennsylvania Harris	)	MUR 498
for President Committee	)	
Jerry Lebovitz	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on August 2, 1978, the Commission determined by a vote of 5-0 to adopt the recommendation of the General Counsel to take the following actions in the above-captioned matter:

1. Find probable cause to believe that the Western Pennsylvania Harris for President Committee violated 2 U.S.C. §434(b) of the Federal Election Campaign Act and file a civil action for relief.

2. Find probable cause to believe that Jerry Lebovitz violated 2 U.S.C. §441a(a)(1)(A), and authorize the filing of a civil action for relief.

Commissioner Tiernan was not present at the time of the vote in this matter.

Attest:

8/2/78
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

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EXECUTIVE SESSION
August 2, 1978

BEFORE THE FEDERAL ELECTION COMMISSION
July 21, 1978

In the Matter of	)	
	)	
Western Pennsylvania Harris for President Committee	)	MUR 498
Jerry Lebovitz	)	

GENERAL COUNSEL'S REPORT

On May 3, 1978, the Commission found reasonable cause to believe that the Western Pennsylvania Harris for President Committee ("the Committee") committed a violation of 2 U.S.C. § 434(b), and that Mr. Jerry Lebovitz committed a violation of 2 U.S.C. § 441a(a)(1)(A). The facts supporting these findings were set forth in our April 28, 1978, General Counsel's Report.

On May 17, 1978, the Office of the General Counsel was contacted by Mr. Lebovitz by telephone, and he advised us that a counter proposal for conciliation would be forthcoming. However, by letter dated June 9, 1978, Mr. Lebovitz stated that he would not sign the proposed Conciliation Agreement because he "did not violate any election law." Considering this unwillingness to conciliate, we think it is now appropriate for the Commission to make a finding of probable cause to believe and authorize a civil suit against Mr. Jerry Lebovitz.

As of this date, we have had no response from the Committee to our efforts for resolving this matter by conciliation. Inasmuch as the co-chairman of the Committee is the wife of respondent Lebovitz, and is in all likelihood aware of her

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husband's unwillingness to enter into conciliation, we think the Committee's silence implies an unwillingness to conciliate. Thus, it is appropriate for the Commission to make a finding of probable cause to believe and authorize a civil suit against the Committee. Should respondents indicate any subsequent willingness to sign an agreement that might be acceptable, we will advise the Commission.

RECOMMENDATION

Find probable cause to believe that the Western Pennsylvania Harris for President Committee violated 2 U.S.C. § 434(b) of the Federal Election Campaign Act and that Jerry Lebovitz violated 2 U.S.C. § 441a(a)(1)(A), and authorize the filing of civil actions.

7/28/78
Date

William C. Oldaker
General Counsel

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PCC3842

RECEIVED
FEDERAL ELECTION
COMMISSION

003716

Jerry Lebovitz
6725 Forest Glen Road
Pittsburgh, Pennsylvania 15217

'78 JUN 19 PM 12:38

Ms. Anne A. Weissenborn
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

June 9, 1978

Dear Ms. Weissenborn:

As far as I am concerned, I do not choose to sign the Conciliation Agreement nor do I choose to pay the $100.00 fine.

First of all, I did not sign the original Letter of Credit and it was only towards the end of the campaign that I was asked to do so. But that is not the point. The fact is that however you call it, or look at it, none of my money went to the Harris for President Campaign out of that Letter of Credit. Therefore, I do not call that a donation in any way, shape, or form.

I feel that your opinion is wrong, and again I state that none of my money was ever paid to Bell Of Pennsylvania. I did not violate any election law since the money for the telephone company came from the Harris Committee.

Sincerely yours,

Jerry Lebovitz

Jerry Lebovitz
6725 Forest Glen Road
Pittsburgh, Pennsylvania
15217

ERTY FURNACE COMPANY, INC.
111 MARKET STREET
PITTSBURGH, PA. 15222

RECEIVED
FEDERAL ELECTION
COMMISSION

'79 JUN 19 PM 12:36

Anne Weissenborn
Federal Election Comm
1325 K Street N.W.
Washington D.C.

20463

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 31, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS MWE

SUBJECT: MUR 498 - Interim Status Report dated 5-23-78
Signed: 5-26-78
Received in Office of Commission Secretary: 5-26-78

The above-mentioned document was circulated on a 24 hour no-objection basis at 1:30 p.m., May 30, 1978.

There were no objections to the Interim Status Report.

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FEDERAL ELECTION COMMISSION

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

DATE AND TIME OF TRANSMITTAL 1:30 May 30, 1978

Commissioner Harris

RETURN TO OFFICE OF COMMISSION SECRETARY BY: 1:30 MAY 31, 1978

MUR No. 498 - Interim Status Report dated 5-23-78

( ) I object to the recommendation in the attached report.

COMMENTS: "Civil Penalty" not "Fine"

Date 5-30-78 Signature OK RH

OBJECTIONS, SIGNED AND DATED, MUST BE RECEIVED IN THE COMMISSION SECRETARY'S OFFICE NO LATER THAN THE DATE AND TIME SHOWN ABOVE OR THE MATTER WILL BE DEEMED APPROVED. PLEASE RETURN ALL PAPERS TO THE OFFICE OF THE SECRETARY TO THE COMMISSION.

7904013524

78 MAY 30 P 3:08

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

May 26, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 498

Please have the attached Interim Status Report on MUR 498 distributed to the Commission.

Thank you.

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BEFORE THE FEDERAL ELECTION COMMISSION

MAY 23, 1978

In the Matter of	)	
	)	
Western Pennsylvania	)	MUR 498
Harris for President	)	
Committee and Mr. Jerry	)	
Lebovitz	)	

INTERIM STATUS REPORT

On May 3, 1978, the Commission found reasonable cause to believe that the Western Pennsylvania for Harris Committee ("the Committee") has violated 2 U.S.C. § 434(b) by failing to report a contribution-in-kind made by Mr. Jerry Lebovitz. This contribution consisted of a letter of credit issued to the Bell Telephone Company of Pennsylvania on behalf of the Committee in the sum of $2,900. The Commission also found reasonable cause to believe that Mr. Lebovitz has violated 2 U.S.C. § 441a (a)(1)(A) in making this contribution-in-kind. Conciliation agreements for both the Committee and Mr. Lebovitz were approved and sent, together with appropriate letters.

On May 17, 1978, the Office of General Counsel was contacted by Mr. Lebovitz by telephone. He initially objected to the imposition of any fine, but later agreed to send a written response to the conciliation agreement, setting forth terms he would accept. This response has not yet been received, nor has a response from the Committee.

26 May 1978
Date

William C. Oldaker for WCW
General Counsel

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FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 11, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Judith Lebovitz
Chairperson
Western Pennsylvania Harris
for President Committee
6725 Forest Glen Road
Pittsburg, PA 15217

Re: MUR 498

Dear Ms. Lebovitz:

On May 3, 1978, the Federal Election Commission found reasonable cause to believe that the Western Pennsylvania Harris for President Committee violated 2 U.S.C. §434(b) by failing to report a contribution-in-kind in the amount of $2900 received from Mr. Jerry Lebovtiz.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than 30 days to correct such a violation by informal methods of conference, conciliation and persuasion and to enter into a conciliation agreement. 2 U.S.C. §437g (a)(5)(A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. §437g(a)(5)(B).

Enclosed please find a conciliation agreement which this Office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the

7904013252 7

Commission within ten days of your receipt of this letter. If not, please contact Anne A. Weissenborn at (202) 523-4039 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

AW 498

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- ☐ Show to whom and date delivered.....¢
- ☒ Show to whom, date, and address of delivery.....¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered.....¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery.$____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Ms Judith Lebovitz

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438099	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☒ Addressee ☐ Authorized agent

4. J Lebovitz
DATE OF DELIVERY
5-15-78

POSTMARK
PITTSBURGH, PA. SQUIRREL HILL STA. MAY 15 1978 OPSM

5. ADDRESS (Complete only if requested)
6725 FOREST GLEN

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO : 1977—O-234-337

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Judith Lebovitz
Chairperson
Western Pennsylvania Harris
for President Committee
6725 Forest Glen Road
Pittsburg, PA 15217

Re: MUR 498

Dear Ms. Lebovitz:

On May 3, 1978, the Federal Election Commission found reasonable cause to believe that the Western Pennsylvania Harris for President Committee violated 2 U.S.C. §434(b) by failing to report a contribution-in-kind in the amount of $2900 received from Mr. Jerry Lebovitz.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than 30 days to correct such a violation by informal methods of conference, conciliation and persuasion and to enter into a conciliation agreement. 2 U.S.C. §437g (a)(5)(A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. §437g(a)(5)(B).

Enclosed please find a conciliation agreement which this Office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the

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AW 5/10/78

Commission within ten days of your receipt of this letter. If not, please contact Anne A. Weissenborn at (202) 523-4039 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Western Pennsylvania Harris for President Committee	)	MUR 498

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe that the Western Pennsylvania Harris for President Committee (hereinafter "Respondent") violated 2 U.S.C. §434(b);

WHEREFORE, the Commission and Respondent, having duly entered into conciliation as provided for in 2 U.S.C. §437(a)(5), do hereby agree as follows:

I. The Federal Election Commission has jurisdiction over the Respondent and the subject matter in this case.

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

III. Respondent enters voluntarily into this agreement with the Commission.

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

A. During the autumn of 1975, Mr. Jerry Lebovitz authorized the Mellon Bank, N. A., Pitt Office, to issue a letter of credit permitting the Bell

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Telephone Company of Pennsylvania to draw upon his account on behalf of the Western Pennsylvania Harris for President Committee.

B. This letter of credit was for any sum not exceeding $2900.

WHEREFORE, Respondent agrees:

A. This letter of credit constituted a contribution-in-kind to the Respondent between the time it was issued and the date of its expiration, September 17, 1976.

B. The Respondent failed to report this contribution in violation of 2 U.S.C. §434(b).

C. The Respondent will amend its reports to reflect this contribution.

D. The Respondent will pay a civil penalty in the amount of One Hundred ($100.00) Dollars pursuant to 2 U.S.C. §437g(a)(5)(B).

V. GENERAL CONDITIONS

A. That the Federal Election Commission retain jurisdiction over this matter for three (3) years subsequent to the general election of November 2, 1976, to assure compliance with the Act. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for

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relief in the United States District Court for the District of Columbia.

B. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. §437g(a)(5)(A) and that this agreement shall constitute a complete bar to any further action by the Commission with regard to the matter set forth in this Agreement.

C. It is mutually agreed that this Agreement will become effective on the date that all parties hereto have executed the same and the Commission has approved the entire Agreement.

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Date	William C. Oldaker General Counsel Federal Election Commission
Date	Judith Lebovitz On Behalf of the Western Pennsylvania Harris for President Committee

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 11, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Jerry Lebovitz
6725 Forest Glen Road
Pittsburgh, PA 15217

Re: MUR 498

Dear Mr. Lebovitz:

On May 3, 1978, the Federal Election Commission found reasonable cause to believe that you violated 2 U.S.C. §441a(a)(1)(A) by making an excessive contribution to the Western Pennsylvania Harris for President Committee. This contribution took the form of a letter of credit in the amount of $2900.

Please be advised that the Commission has a duty to make every endeavor for a period of not less than 30 days to correct such a violation by informal methods of conference, conciliation and persuasion and to enter into a conciliation agreement. 2 U.S.C. §437g(a)(5)(A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. §437g(a)(5)(B).

Enclosed please find a conciliation agreement which this Office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the

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Commission within ten days of your receipt of this letter. If not, please contact Anne A. Weissenborn at 202-523-4039 to discuss your objections to this agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

AW 458

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- [ ] Show to whom and date delivered.....¢
- [x] Show to whom, date, and address of delivery.....¢
- [ ] RESTRICTED DELIVERY
  Show to whom and date delivered.....¢
- [ ] RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery.$____
  (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Mr. Jerry Lebovitz

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	439100	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE [ ] Addressee [ ] Authorized agent
J. Lebovitz

4. DATE OF DELIVERY
5-15-78

5. ADDRESS (Complete only if requested)
6725 Forbes

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

MAY 15 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Jerry Lebovitz
6725 Forest Glen Road
Pittsburgh, PA 15217

Re: MUR 498

Dear Mr. Lebovitz:

On May 3, 1978, the Federal Election Commission found reasonable cause to believe that you violated 2 U.S.C. §441a(a)(1)(A) by making an excessive contribution to the Western Pennsylvania Harris for President Committee. This contribution took the form of a letter of credit in the amount of $2900.

Please be advised that the Commission has a duty to make every endeavor for a period of not less than 30 days to correct such a violation by informal methods of conference, conciliation and persuasion and to enter into acconciliation agreement. 2 U.S.C. §437g(a)(5)(A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. §437g(a)(5)(B).

Enclosed please find a conciliation agreement which this Office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the

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RW 5/10/78

Commission within ten days of your receipt of this letter. If not, please contact Anne A. Weissenborn at 202-523-4039 to discuss your objections to this agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Mr. Jerry Lebovitz	)	MUR 498
	)	

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe that Mr. Jerry Lebovitz (hereinafter "Respondent") violated 2 U.S.C. §441a(a)(1)(A);

WHEREFORE, the Commission and Respondent, having duly entered into conciliation as provided for in 2 U.S.C. §437(a)(5), do hereby agree as follows:

I. The Federal Election Commission has jurisdiction over the Respondent and the subject matter in this case.

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

III. The Respondent enters voluntarily into this agreement with the Commission.

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

A. During the autumn of 1975, Respondent authorized the Mellon Bank, N. A., Pitt Office, to issue a letter of credit permitting the Bell Telephone Company of Pennsylvania to draw upon Account No. 008-26051 held in the name of Respondent on

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behalf of the Western Pennsylvania Harris for President Committee.

B. This letter of credit was for any sum not exceeding $2900.

C. The letter of credit expired on September 17, 1976.

WHEREFORE, Respondent agrees:

A. The letter of credit constituted a contribution-in-kind to the Western Pennsylvania Harris for President Committee between the time it was issued and its expiration date.

B. A contribution in the sum of $2900 from an individual is in violation of 2 U.S.C. §441a(a)(1)(A).

C. That Respondent will pay a civil penalty in the amount of One Hundred ($100) Dollars pursuant to 2 U.S.C. §437g(a)(5)(B).

V. General Conditions

A. That the Federal Election Commission retain jurisdiction over this matter for three (3) years subsequent to the general election November 2, 1976, to assure compliance with the Act. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court

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for the District of Columbia.

B. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. §437g (a)(5)(A), and that this Agreement shall constitute a complete bar to any further action by the Commission with regard to the matter set forth in this Agreement.

C. It is mutually agreed that this Agreement will become effective on the date that all parties hereto have executed the same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

_____ Date

_____
William C. Oldaker
General Counsel
Federal Election Commission

_____ Date

_____
Jerry Lebovitz

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FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 11, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Judith Lebovitz
6725 Forest Glen Road
Pittsburgh, PA 15217

Re: MUR 498

Dear Ms. Lebovitz:

On May 3, 1978, the Federal Election Commission decided that no further action should be taken relating to your apparent violations of the Federal Election Campaign Act of 1971, as amended. Although your deposit of campaign funds into your personal checking account constituted a violation of 2 U.S.C. §432(b) and your use of that account to pay expenses incurred by the Western Pennsylvania Harris for President Committee constituted a violation of 2 U.S.C. §437b(a) the Commission has found mitigating circumstances to have existed at the time these actions were taken. The file is now closed in this regard.

Enclosed for your information is a copy of the General Counsel's Report in MUR 498 and a copy of the certification of the Commission's determination.

If you have any questions, please contact Anne A. Weissenborn, the attorney assigned to this matter, at (202) 523-4039.

Sincerely,

William C. Oldaker
General Counsel

Enclosures

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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Judith Lebovitz
6725 Forest Glen Road
Pittsburgh, PA 15217

Re: MUR 498

Dear Ms. Lebovitz:

On May 3, 1978, the Federal Election Commission decided that no further action should be taken relating to your apparent violations of the Federal Election Campaign Act of 1971, as amended. Although your deposit of campaign funds into your personal checking account constituted a violation of 2 U.S.C. §432(b) and your use of that account to pay expenses incurred by the Western Pennsylvania Harris for President Committee constituted a violation of 2 U.S.C. §437b(a) the Commission has found mitigating circumstances to have existed at the time these actions were taken. The file is now closed in this regard.

Enclosed for your information is a copy of the General Counsel's Report in MUR 498 and a copy of the certification of the Commission's determination.

If you have any questions, please contact Anne A. Weissenborn, the attorney assigned to this matter, at (202) 523-4039.

Sincerely,

William C. Oldaker
General Counsel

Enclosures

AW
5/10/78

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Western Pennsylvania Harris for President Committee	)	MUR 498

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on May 3, 1978, the Commission determined by a vote of 5-0 to adopt the recommendation of the General Counsel to take the following actions in the above-captioned matter:

1. Find reasonable cause to believe that the Western Pennsylvania Harris for President Committee violated 2 U.S.C. Section 434(b) by failing to report a contribution-in-kind made by Mr. Jerry Lebovitz, and send the conciliation agreement and letter attached to the General Counsel's Report signed April 28, 1978.

2. Find reasonable cause to believe that Mr. Jerry Lebovitz violated 2 U.S.C. Section 441a(a)(1)(A) by having made a contribution-in-kind to the Committee in excess of $1,000 per election, and send the conciliation agreement and letter attached to the General Counsel's Report signed April 28, 1978.

3. Take no further action as to the deposit by Ms. Judith Lebovitz of Committee funds into her personal checking account and the use of that account to make a campaign expenditure for the Committee. Although these actions constitute a commingling of campaign and personal funds and the use of a non-designated account for payment of campaign expenses in violation of 2 U.S.C. Section 432(b) and Section 437b(a), we believe that mitigating circumstances existed at the time the violations occurred which would excuse her actions. Send letter attached to the General Counsel's Report signed April 28, 1978.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Date: May 5, 1978

7904013254 3

EXECUTIVE SESSION
May 3, 1978

BEFORE THE FEDERAL ELECTION COMMISSION

April 12, 1978

In the Matter of	)	
	)	MUR 498
Western Pennsylvania Harris for President Committee	)	

GENERAL COUNSEL'S REPORT

1. Summary of allegations and Commission action

During its review of the records of the Western Pennsylvania Harris for President Committee ("the Committee"), the Audit Division discovered that in the fall of 1975, Mr. Jerry Lebovitz had authorized the Mellon Bank, N. A., Pitt Office, to issue a letter of credit permitting the Bell Telephone Company of Pennsylvania to draw upon Account No. 008-26051 on behalf of the Committee for any sum not in excess of $2900. The amount of this letter of credit placed Mr. Lebovitz in apparent violation of 2 U.S.C. §441a(a)(1)(A). The letter of credit which expired on September 17, 1976, was never reported by the Committee as either a contribution-in-kind or a loan.

The Audit Division's investigation also revealed that on June 8, 1976, Ms. Judith Lebovitz, Committee chairperson, wrote a check for $2837.56 on her personal account with the Commercial Bank and Trust Company of Pittsburgh to Bell of Pennsylvania on behalf of the Committee. We viewed this payment as representing an apparent contribution-in-kind or a loan to the Committee in excess of $1000 per election, placing Ms. Lebovitz in violation of 2 U.S.C. §441a(a)(1)(A).

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On June 8 she also deposited into her account two checks from the national Harris for President Committee in the sums of $2018.32 and $819.24 for a total of $2837.56. These checks had been made payable to Jerry Lebovitz and were reported as expenditures for telephone costs by the national committee.

On February 23, 1978, the Commission found reason to believe that the Western Pennsylvania Harris for President Committee had violated 2 U.S.C. §434(b) by failing to report contributions in excess of $1000 per election from Jerry Lebovitz and Judith Lebovitz. The Commission also found reason to believe that Jerry and Judith Lebovitz had each violated 2 U.S.C. §441a(a)(1)(A).

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Evidence

Letters were sent to Jerry Lebovitz, Judith Lebovitz and the Treasurer of the Committee. The letter to the Treasurer was returned as undeliverable. Subsequent investigation revealed that the Treasurer had moved away from Pennsylvania, and a second letter concerning the Committee's apparent violations was mailed to Ms. Lebovitz in her capacity as chairperson.

Notarized written responses have been received from Jerry and Judith Lebovitz as to their personal involvements in this matter. Mr. Lebovitz states that "(i)n order for phone service not to be discontinued, I signed a letter of credit with Bell of Pennsylvania through Mellon National Bank. The amount of credit was cleared and approved by the lawyers

of Sen. Harris' national campaign staff". Ms. Lebovitz writes that a check for the amount of $2837.56 was drawn on her personal account because the official campaign checks had been confiscated by the Webster Hall Hotel of Pittsburgh when out-of-town campaign workers staying there left town without paying their final bill. "At that time the hotel padlocked the headquarters and nothing was allowed to be removed until payment had been received." Ms. Lebovitz goes on to state that during that same period she received the two checks from the national Harris Committee totaling $2837.56 intended for payment to Bell Telephone of Pennsylvania. Because she did not have access to the campaign checkbook, she deposited the checks into her account and wrote a personal check to the telephone company.

The above statement furnished by Mr. Lebovitz indicates that he did in fact furnish the Committee with a letter of credit in the sum of $2900. Therefore, we recommend a finding of reasonable cause to believe that he is in violation of Section 441a(a)(1)(A). Because the Committee failed to report this contribution-in-kind, we also recommend a finding of reasonable cause to believe that the Committee violated Section 434(b). Conciliation should include an amendment by the committee of its reports to reflect the contribution in question.

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On the other hand, given Ms. Lebovitz's explanation of the circumstances surrounding her use of her personal account to make a Committee expenditure, we believe that no further action should be taken in this regard. Ms. Lebovitz's statement shows that while she did not make an excessive contribution-in-kind or loan to the Committee she did in fact commingle campaign funds with personal funds and use a non-designated account to make a campaign expenditure, such actions representing violations of 2 U.S.C. §§432(b) and 437b(a). In addition, no explanation has been provided as to why Mr. Lebovitz, to whom the national committee made its checks payable, did not simply endorse the checks over to the telephone company. However, the explanation offered as to why the Committee's account could not be used seems to mitigate the placement by Ms. Lebovitz of Committee funds in her own account and her use of that account to pay Committee bills. Therefore, we recommend that no further action be taken as to this aspect of the MUR.

Because Ms. Lebovitz' use of her account did not constitute a contribution to the Committee, since she was in essence drawing on funds she had been advanced by the Harris Committee, there no longer exists the possibility of a violation by the Committee of Section §434(b) as regards that activity.

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Recommendations

1. Find reasonable cause to believe that the Western Pennsylvania Harris for President Committee violated 2 U.S.C. §434(b) by failing to report a contribution-in-kind made by Mr. Jerry Lebovitz. Send attached conciliation agreement and letter.

2. Find reasonable cause to believe that Mr. Jerry Lebovitz violated 2 U.S.C. §441a(a)(1)(A) by having made a contribution-in-kind to the Committee in excess of $1000 per election. Send attached conciliation agreement and letter.

3. Take no further action as to the deposit by Ms. Judith Lebovitz of Committee funds into her personal checking account and the use of that account to make a campaign expenditure for the Committee. Although these actions constitute a commingling of campaign and personal funds and the use of a non-designated account for payment of campaign expenses in violation of 2 U.S.C. §432(b) and §437b(a), we believe that mitigating circumstances existed at the time the violations occurred which would excuse her actions. Send attached letter.

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4/28/78 [illegible]

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Judith Lebovitz
6725 Forest Glen Road
Pittsburgh, Pennsylvania 15217

Re: MUR 498

Dear Ms. Lebovitz,

On April , 1978, the Federal Election Commission decided that no further action should be taken relating to your apparent violations of the Federal Election Campaign Act of 1971, as amended. Although your deposit of campaign funds into your personal checking account constituted a violation of 2 U.S.C. §432(b) and your use of that account to pay expenses incurred by the Western Pennsylvania Harris for President Committee constituted a violation of 2 U.S.C. §437b(a) the Commission has found mitigating circumstances to have existed at the time these actions were taken. The file is now closed in this regard.

Enclosed for your information is a copy of the General Counsel's Report in MUR 498 and a copy of the certification of the Commission's determination.

If you have any questions, please contact Anne A. Weissenborn, the attorney assigned to this matter, at (202) 523-4039.

Sincerely,

William C. Oldaker
General Counsel

Enclosures

7904013254 9

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Jerry Lebovitz
6725 Forest Glen Road
Pittsburg, Pennsylvania 15217

Re: MUR 498

Dear Mr. Lebovitz:

On April , 1978, the Federal Election Commission found reasonable cause to believe that you violated 2 U.S.C. §441a(a)(1)(A) by making an excessive contribution to the Western Pennsylvania Harris for President Committee. This contribution took the form of a letter of credit in the amount of $2900.

Please be advised that the Commission has a duty to make every endeavor for a period of not less than 30 days to correct such a violation by informal methods of conference, conciliation and persuasion and to enter into a conciliation agreement. 2 U.S.C. §437g(a)(5)(A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. §437g(a)(5)(B).

Enclosed please find a conciliation agreement which this Office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the

7904013255 0

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

Commission within ten days of your receipt of this letter. If not, please contact Anne A. Weissenborn at 202-523-4039 to discuss your objections to this agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

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FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Judith Lebovitz
Chairperson
Western Pennsylvania Harris
for President Committee
6725 Forest Glen Road
Pittsburg, Pennsylvania 15217

Re: MUR 498

Dear Ms. Lebovitz:

On April , 1978, the Federal Election Commission found reasonable cause to believe that the Western Pennsylvania Harris for President Committee violated 2 U.S.C. §434(b) by failing to report a contribution-in-kind in the amount of $2900 received from Mr. Jerry Lebovitz.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than 30 days to correct such a violation by informal methods of conference, conciliation and persuasion and to enter into a conciliation agreement. 2 U.S.C. §437g(a)(5)(A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. §437g(a)(5)(B).

Enclosed please find a conciliation agreement which this Office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the

7 9 0 4 0 1 3 2 5 5 2

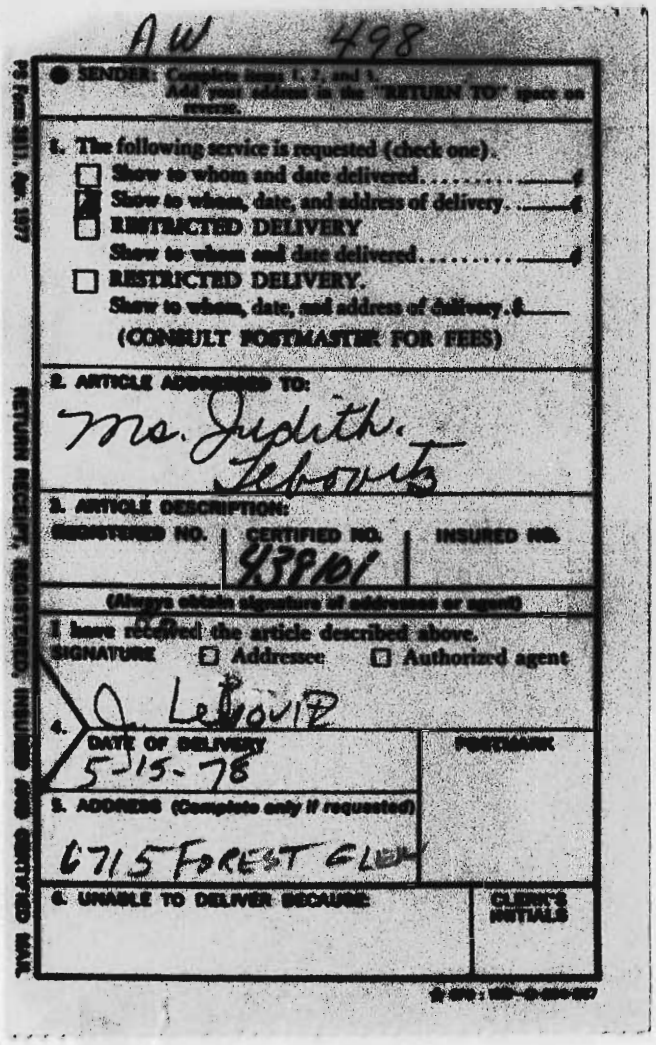
AMERICAN REVOLUTION BICENTENNIAL 1776-1976

Commission within ten days of your receipt of this letter. If not, please contact Anne A. Weissenborn at (202) 523-4039 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure


AW 498

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- [ ] Show to whom and date delivered. ____¢
- [x] Show to whom, date, and address of delivery. ____¢
- [ ] RESTRICTED DELIVERY
  Show to whom and date delivered. ____¢
- [ ] RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery. $____
  (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Ms. Judith. Lebovits

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438101	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE [ ] Addressee [x] Authorized agent
J. Lebovits

4. DATE OF DELIVERY 5-15-78 | POSTMARK

5. ADDRESS (Complete only if requested)
6715 FOREST GLEN

6. UNABLE TO DELIVER BECAUSE: | CLERK'S INITIALS

7904013255

801 610

FEDERAL ELECTION COMMISSION

Judith K. Lebovitz
6725 Forest Glen Road
Pittsburgh, Pennsylvania 15217

78 APR 7 PM 1:53

April 1, 1978

ACC 3191

Ms. Anne A. Weissenborn
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: Mur 498

Dear Ms. Weissenborn:

In regard to Mur 498---Western Pennsylvania Harris for President Committee---I believe that no legal action should be taken against me for the following reason:

I did not at any time make either a contribution-in-kind or a loan to the Pennsylvania Harris for President Committee in excess of $1000.00. A check for the amount of $2857.56 was drawn on my personal account because the official campaign checks had been confiscated by the Webster Hall Hotel, Pittsburgh, Penna. The hotel had been used as campaign headquarters and also rooms had been rented to accommodate out of town campaign workers. When Senator Harris ended his Presidential campaign, the out of towners left abruptly and without making final payment to the hotel. At that time, the hotel padlocked the headquarters and nothing was allowed to be removed until payment had been received. During that time, the national Harris for President Committee had issued to me two(2) checks for the amount of $2857.56 to be payed to Bell Telephone of Pennsylvania. Since I did not have access, at that time, to the campaign checkbook, I deposited those checks in my account and wrote a personal check to Bell of Pennsylvania for the amount of $2857.56.

If any laws were violated by me in accordance with the Federal Election Commission, it was done out of ignorance and not with the intent to break the law.

All of the records and cancelled checks concerning this matter were turned over to your office during the audit of the Pennsylvania Harris for President Committee in the spring of 1977.

Lawrence C. McClintock
Notary Public

LAWRENCE C. McCLINTOCK, Notary Public
Pittsburgh, Allegheny Co., PA
My Commission Expires March 15, 1982

Sincerely,

Judith K. Lebovitz

Judith K. Lebovitz

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Jerry Lebovitz
6725 Forest Glen Road
Pittsburgh, Pennsylvania 15217

April 1, 1978

Ms. Anne A. Weissenborn
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: Mur 498

Dear Ms. Weissenborn:

In regard to Mur 498---Western Pennsylvania Harris for President Committee---I believe that no legal action should be taken against me for the following reasons:

1) In October, 1975 the former treasurer of the Pennsylvania Harris for President Committee, Jerome Davis, signed a letter of credit with Bell of Pennsylvania through Pittsburgh National Bank for the amount of $600.00.

2) In March, 1976 Mr. Davis was replaced as treasurer by Timothy Cooper,Esq. At the same time Mr. Davis cancelled his letter of credit with Bell of Pennsylvania.

3) In order for phone service not to be discontinued, I signed a letter of credit with Bell of Pennsylvania through Mellon National Bank. The amount of credit was cleared and approved by the lawyers of Sen. Harris' national campaign staff.

If any laws were violated by me inaccordance with the Federal Election Commission, it was done out of ignorance and not with the intent to break the law.

All of the records concerning this matter were turned over to your office during the audit of the Pennsylvania Harris for President Committee in the spring of 1977.

Sincerely,

Jerry Lebovitz

Lawrence C. McClintock
Notary Public

LAWRENCE C. McCLINTOCK, Notary Public
Pittsburgh, Allegheny Co., PA
My Commission Expires March 15, 1980

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Mr. Jerry Lebovitz
6725 Forest Glen Road
Pittsburgh, Pennsylvania 15217

FEDERAL ELECTION COMMISSION

'79 APR 7 PM 1:32

RETURN RECEIPT REQUESTED

Ms. Anne A. Weissenborn
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

CERTIFIED
No. 783303
MAIL

FEDERAL ELECTION COMMISSION

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

March 24, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS MWE

SUBJECT: MUR 498 (78) - Interim Status Report 3-20-78
Signed by General Counsel 3-21-78
Received in Office of Commission
Secretary 3-22-78, 3:34

The above-mentioned document was circulated to the Commissioners on a 24 hour no-objection basis at 10:00 a.m., March 23, 1978.

As of 12:00, this date, no objection have been received in the Office of Commission Secretary to the Interim Status Repprt.

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March 22, 1978

MEMORANDUM TO: Marge Emmons

FROM: OGC Docket

SUBJECT: MUR 498 (

Please have the attached Interim Status report on MUR 498 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

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BEFORE THE FEDERAL ELECTION COMMISSION

March 20, 1978

In the Matter of	)	
	)	
	)	MUR 498
Western Pennsylvania	)	
Harris for President Committee	)	

INTERIM STATUS REPORT

The audit report and additional evidence provided by the Audit Division concerning the Western Pennsylvania Harris for President Committee revealed that the Committee had apparently received from Mr. Jerry Lebovitz a letter of credit for any amount not exceeding $2,900. A contribution in this amount would represent a violation of 2 U.S.C. §441a (a)(1)(A) on the part of Mr. Lebovitz. The Committee never reported this contribution in apparent violation of 2 U.S.C. §434(b).

The auditors also found that Ms. Judith Lebovitz wrote a check on her personal account payable to Bell of Pennsylvania in the sum of $2,857.56 on behalf of the Committee. That same day, June 8, 1978, she deposited into that account two checks from the national Harris for President Committee which also totaled $2,857.56. Ms. Lebovitz's payment of the Committee's telephone bill by means of her personal account represents a possible contribution-in-

kind or a loan to the Committee in violation of 2 U.S.C. §441a(a)(1)(A). The Committee did not report this contribution in apparent violation of 2 U.S.C. 434(b).

On February 23, 1978, the Commission found reason to believe that the above violations had taken place. Letters were sent to the Committee's treasurer, to Mr. Jerry Lebovitz and to Ms. Judith Lebovitz. A telephone call has been received from Mr. Lebovitz acknowledging receipt of his and his wife's letters. His promised written response has not been received. No response has been forthcoming from the Committee treasurer; neither the mail receipt nor the letter has been returned to the Commission. Therefore, we are in the process of sending a notification of Commission findings to the Committee chairperson.

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3/21/78
Date

William C. Oldaker
General Counsel

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 17, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Judith Lebovitz, Chairperson
Western Pennsylvania for Harris Committee
6725 Forest Glen Road
Pittsburgh, Pennsylvania 15217

Re: MUR 498

Dear Ms. Lebovitz:

Several weeks ago we sent a letter to Mr. Timothy Cooper, Treasurer of the Western Pennsylvania for Harris Committee, to inform him that the Federal Election Commission had found reason to believe that the Committee had violated the Federal Election Campaign Act of 1971, as amended. We have received no indication that Mr. Cooper ever received that letter, and just today we learned that he has taken a new job in California. We are therefore sending this notification to you in your capacity as chairperson of the committee.

Specifically, the Commission has found reason to believe that the Committee may have violated 2 U.S.C. §434(b) by failing to report as a contribution-in-kind a $2,900 letter of credit furnished by Mr. Jerry Lebovitz and a $2,857.56 contribution-in-kind or a loan from yourself in the form of your payment of the Committee's telephone bill by means of a personal check.

Under the Act the Committee has an opportunity to demonstrate why no action should be taken against it. Please submit any factual or legal materials which you

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AMERICAN REVOLUTION BICENTENNIAL 1776-1976

believe would be relevant to the Commission's analysis of this matter. Because the Commission is charged with investigating such matters expeditiously, we will need to receive the Committee's response within ten (10) days of receipt of this notification in order to be able to include any information you may provide in the final report submitted to the Commission by the Office of the General Counsel. If you have any questions, please contact Ms. Anne A. Weissenborn, the attorney assigned to this matter, at (202) 523-4039.

This matter will remain confidential in accordance with 2 U.S.C. §437a(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public. If you intend to be represented by counsel in this matter, please have such counsel to notify us in writing.

Sincerely yours,

William C. Oldaker
General Counsel

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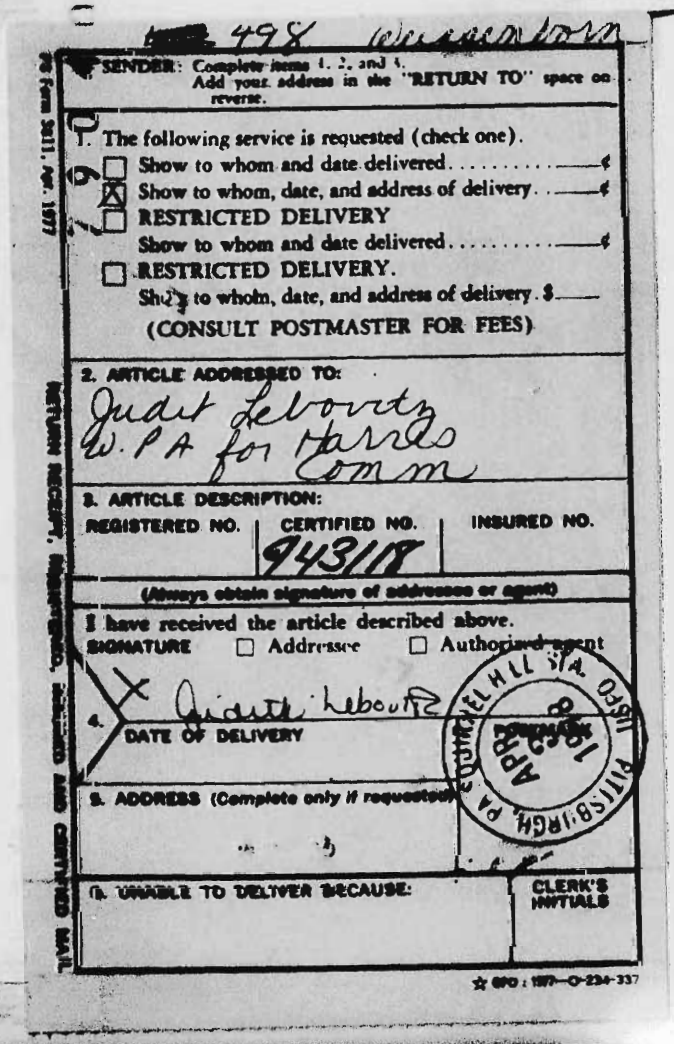

498 Weissenborn

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ..... ¢
- ☒ Show to whom, date, and address of delivery ..... ¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered ..... ¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery. $____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Judit Lebovitz
W. PA for Harris Comm

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943118	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. X Judith Lebovitz
DATE OF DELIVERY

POSTMARK
PITTSBURGH, PA EQUIPMENT HILL STA. USPO
APR 6 1978

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

☆ GPO : 1977—O-234-337

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MUR 498 AC

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

- ☐ Show to whom and date delivered ..... ¢
- ☒ Show to whom, date, and address of delivery ..... ¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered ..... ¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery. $____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

Timothy Cooper

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438285	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE: ☒ Addressee ☐ Authorized agent

4. DATE OF DELIVERY

POSTMARK: MAR 1978

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO: 1977—O-234-337

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

17-17

FIRST NOTICE

POSTAGE AND FEES PAID

U.S. MAIL

UNCLAIMED

MOVED LEFT NO ADD

Mr. Timothy Cooper, Treasurer
Western Pennsylvania Harris for
President Committee
~~310 Bigham Road, Apt.~~ #7
Pittsburgh, Pennsylvania 15211

301

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

CERTIFI

438 285

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 28, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Timothy Cooper, Treasurer
Western Pennsylvania Harris
for President Committee
310 Bigham Road, Apt. #7
Pittsburgh, Pennsylvania 15211

Re: MUR 498(78)

Dear Mr. Cooper,

The Federal Election Commission has found reason to believe that the Western Pennsylvania Harris for President Committee may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe that the Committee may have violated 2 U.S.C. §434(b) by failing to report as a contribution-in-kind a $2900 letter of credit furnished by Mr. Jerry Lebovitz to the Bell Telephone Company of Pennsylvania on behalf of the Committee and by failing to report a $2857.56 loan or contribution-in-kind from Ms. Judith Lebovitz. We have numbered this matter MUR 498(78).

Under the Act you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Any statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, any statements or explanations which you wish to submit to the Commission should be submitted within ten (10) days of receipt of this notification. If you have any questions, please contact Ms. Anne Weissenborn, the attorney assigned to this matter, at (202) 523-4039.

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AMERICAN REVOLUTION BICENTENNIAL 1776-1976

This matter will remain confidential in accordance with 2 U.S.C. §437a(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public. If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

79040132566

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 28, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Timothy Cooper, Treasurer
Western Pennsylvania Harris
for President Committee
310 Bigham Road, Apt. #7
Pittsburgh, Pennsylvania 15211

Re: MUR 498(78)

Dear Mr. Cooper,

The Federal Election Commission has found reason to believe that the Western Pennsylvania Harris for President Committee may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe that the Committee may have violated 2 U.S.C. §434(b) by failing to report as a contribution-in-kind a $2900 letter of credit furnished by Mr. Jerry Lebovitz to the Bell Telephone Company of Pennsylvania on behalf of the Committee and by failing to report a $2857.56 loan or contribution-in-kind from Ms. Judith Lebovitz. We have numbered this matter MUR 498(78).

Under the Act you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Any statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, any statements or explanations which you wish to submit to the Commission should be submitted within ten (10) days of receipt of this notification. If you have any questions, please contact Ms. Anne Weissenborn, the attorney assigned to this matter, at (202) 523-4039.

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AMERICAN REVOLUTION BICENTENNIAL 1776-1976

This matter will remain confidential in accordance with 2 U.S.C. §437a(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public. If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

7904013256 8

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Timothy Cooper, Treasurer
Western Pennsylvania Harris
for President Committee
310 Bigham Road, Apt. #7
Pittsburgh, Pennsylvania 15211

Re: MUR 498(78)

Dear Mr. Cooper,

The Federal Election Commission has found reason to believe that the Western Pennsylvania Harris for President Committee may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe that the Committee may have violated 2 U.S.C. §434(b) by failing to report as a contribution-in-kind a $2900 letter of credit furnished by Mr. Jerry Lebovitz to the Bell Telephone Company of Pennsylvania on behalf of the Committee and by failing to report a $2857.56 loan or contribution-in-kind from Ms. Judith Lebovitz. We have numbered this matter MUR 498(78).

Under the Act you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Any statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, any statements or explanations which you wish to submit to the Commission should be submitted within ten (10) days of receipt of this notification. If you have any questions, please contact Ms. Anne Weissenborn, the attorney assigned to this matter, at (202) 523-4039.

7904013256 9

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

2/24/78

This matter will remain confidential in accordance with 2 U.S.C. §437a(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public. If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 28, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Judith Lebovitz
6725 Forest Glen Road
Pittsburgh, Pennsylvania 15217

Re: Mur 498

Dear Ms. Lebovitz,

The Federal Election Commission has found reason to believe that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe that you violated 2 U.S.C. §441a(a)(1)(A) by making either a contribution-in-kind or a loan to the Western Pennsylvania Harris for President Committee in excess of the $1000 limitation per election per individual, this violation having taken place when you wrote a check on your personal account in the sum of $2857.56, dated June 8, 1976, to the Bell Telephone Company of Pennsylvania on behalf of the Committee. We have numbered this matter MUR 498.

Under the Act you have an opportunity to demonstrate why no action should be taken against you. Please submit any factual or legal materials which you believe are ...is of this matter. Any ...e made under oath.

...ty to investigate this ...any statements or ...mit to the Commission ...be submitted within ten ...ication. If you have ...Anne A. Weissenborn, ...er, at (202) 523-4039.

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MUR 498 AW

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
☐ Show to whom and date delivered ..... ¢
☒ Show to whom, date, and address of delivery ..... ¢
☐ RESTRICTED DELIVERY
Show to whom and date delivered ..... ¢
☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. $____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: Judith Lebovitz

3. ARTICLE DESCRIPTION:
REGISTERED NO. | CERTIFIED NO. 438287 | INSURED NO.
(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
X Judith K Lebovitz
DATE OF DELIVERY 3-4-78
POSTMARK MAR 14 1978
5. ADDRESS (Complete only if requested)
6. UNABLE TO DELIVER BECAUSE:
INITIALS

PS Form 3811, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish to have the investigation made public. If you intend to be represented by Counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

7 9 0 4 0 1 3 2 5 7 2

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Judith Lebovitz
6725 Forest Glen Road
Pittsburgh, Pennsylvania 15217

Re: Mur 498

Dear Ms. Lebovitz,

The Federal Election Commission has found reason to believe that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe that you violated 2 U.S.C. §441a(a)(1)(A) by making either a contribution-in-kind or a loan to the Western Pennsylvania Harris for President Committee in excess of the $1000 limitation per election per individual, this violation having taken place when you wrote a check on your personal account in the sum of $2857.56, dated June 8, 1976, to the Bell Telephone Company of Pennsylvania on behalf of the Committee. We have numbered this matter MUR 498.

Under the Act you have an opportunity to demonstrate why no action should be taken against you. Please submit any factual or legal materials which you believe are relevanttto the Commission's analysis of this matter. Any statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, any statements or explanations which you wish to submit to the Commission with regard to this matter should be submitted within ten (10) days of receipt of this notification. If you have any questions, please contact Ms. Anne A. Weissenborn, the attorney assigned to this matter, at (202) 523-4039.

7 9 0 4 0 1 3 2 5 7 3

AW 7/29/78

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish to have the investigation made public. If you intend to be represented by Counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 28, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Jerry Lebovitz
6725 Forest Glen Road
Pittsburgh, Pennsylvania 15217

Re: MUR 498

Dear Mr. Lebovitz,

The Federal Election Commission has found reason to believe that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe that you violated 2 U.S.C. §441a(a)(1)(A) by authorizing the issuance of a letter of credit to the Bell Telephone Company of Pennsylvania on behalf of the Western Pennsylvania Harris for President Committee for any sum not exceeding $2,900, a figure in excess of the $1000 per election limitation for individuals set forth in §441a(a)(1)(A). We have numbered this matter MUR 498.

Under the Act you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Any statements or explanations should be made under oath.

y to investigate this
ny statements or
it to the Commission
e submitted within
tification. If you
Ms. Anne A. Weissenborn,
r, at (202) 523-4039.

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MUR 498 AW

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
☐ Show to whom and date delivered
☐ Show to whom, date, and address of delivery
☐ RESTRICTED DELIVERY
Show to whom and date delivered
☐ RESTRICTED DELIVERY:
Show to whom, date, and address of delivery. $
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: Jerry Lebovitz

3. ARTICLE DESCRIPTION: REGISTERED NO. CERTIFIED NO. 498275 INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY 3-4-78

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

PS Form 3811, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

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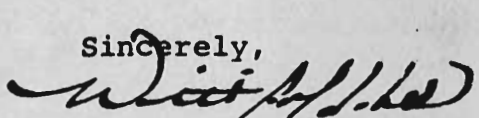
Sincerely,



William C. Oldaker
General Counsel

7 9 0 4 0 1 3 2 5 7 6

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Jerry Lebovitz
6725 Forest Glen Road
Pittsburgh, Pennsylvania 15217

Re: MUR 498

Dear Mr. Lebovitz,

The Federal Election Commission has found reason to believe that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe that you violated 2 U.S.C. §441a(a)(1)(A) by authorizing the issuance of a letter of credit to the Bell Telephone Company of Pennsylvania on behalf of the Western Pennsylvania Harris for President Committee for any sum not exceeding $2,000, a figure in excess of the $1000 per election limitation for individuals set forth in §441a(a)(1)(A). We have numbered this matter MUR 498.

Under the Act you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Any statements or explanations should be made under oath.

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AW 2/24/78

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish to have the investigation made public. If you intend to be pepresented by Counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

79040132578

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Western Pennsylvania Harris for President Committee	)	MUR 498 (78)
Mr. Jerry Lebovitz	)	
Ms. Judith Lebovitz	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on February 23, 1978, at an Executive Session of the Federal Election Commission at which a quorum was present, the Commission determined by a vote of 5-1 to take the following actions in the above-captioned matter:

1. Find reason to believe that the Western Pennsylvania Harris for President Committee violated 2 U.S.C. Section 434(b) by failing to report contributions in excess of $1000 per election from Jerry Lebovitz and Judith Lebovitz.

2. Find reason to believe that Jerry Lebovitz violated 2 U.S.C. Section 441a(a)(1)(A).

3. Find reason to believe that Judith Lebovitz violated 2 U.S.C. Section 441a(a)(1)(A).

4. Send the draft letters appended to the First General Counsel's Report, dated February 10, 1978, and amended at the Executive Session of February 23, 1978.

Voting for this determination were Commissioners Aikens, Harris, Springer, Thomson, and Tiernan. Commissioner Staebler voted against the determination.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

DATED: February 24, 1978

7904013257 9

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 14, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS

SUBJECT: OBJECTIONS TO MURs 477 (77), 480 (77), 481 (77), 482 (77), 483 (77), and 498 (77)

The above-mentioned MURs were circulated to the Commissioners on February 10, 1978 at 4:00.

On February 13, 1978 at 4:30 Commissioner Aikens submitted objections to all of the MURs listed above thereby placing them on the Executive Session Agenda for February 23, 1978.

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AMERICAN REVOLUTION BICENTENNIAL 1776-1976

February 10, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. kGarr

SUBJECT: MUR 498

Please have the attached 7 day report on MUR 498 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

7 9 0 4 0 1 3 2 5 8 1

FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL BY OGC TO THE COMMISSION FEB 10 1978

MUR # 498
DATE COMPLAINT RECEIVED BY OGC

STAFF MEMBER Weissenborn

COMPLAINANT'S NAME: Internally generated

RESPONDENT'S NAME: Western Pennsylvania Harris for President Committee
Mr. Jerry Lebovitz
Ms. Judith Lebovitz

RELEVANT STATUTE: 2 U.S.C. §434(b)
2 U.S.C. §441a(a)(1)(A) and (f)

INTERNAL REPORTS CHECKED: Audit Report (Attachment I)
Committee Reports
Audit Records

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

The audit report and additional evidence provided by the Audit Division concerning the Western Pennsylvania Harris for President Committee ("the Committee") disclose the following:

During the fall of 1975 Mr. Jerry Lebovitz authorized the Mellon Bank, N.A., Pitt Office, to issue a letter of credit authorizing the Bell Telephone Company of Pennsylvania to draw upon Account No. 008-26051 on behalf of the Committee for any sum not exceeding $2,900. This letter of credit expired on September 17, 1976. (See Attachment II). It was never reported by the Committee as either a contribution-in-kind or a debt, in violation of 2 U.S.C. §434(b). The Committee would also be in violation of 2 U.S.C. §441a(f) for having knowingly accepted a

contribution from an individual in excess of $1000 per election, and Mr. Lebovitz would be in violation of 2 U.S.C. §441a(a)(1)(A) for having made such a contribution.

On June 8, 1976, Ms. Judith Lebovitz, spouse of Jerry Lebovitz and Committee chairperson, wrote a check on her personal account with the Commercial Bank and Trust Co. of Pittsburgh to Bell of Pennsylvania for $2857.56 on behalf of the Committee. (That same day she deposited into that account two checks from the national Harris for President Committee in the sums of $2018.32 and $819.24 for a total of $2857.56. These checks, dated May 26, 1976, and June 2, 1976, were made payable to Jerry Lebovitz and reported as expenditures by the national committee.) Ms. Lebovitz's $2857.56 payment of a telephone bill from her personal account represents a contribution-in-kind or a loan to the Committee in violation of §441a(a)(1)(A). Since it was not reported by the Committee, a violation of §434(b) by the Committee is also indicated as well as a violation of §441a(f) because Ms. Lebovitz's position with the Committee would make its acceptance of this contribution over $1000 a knowing acceptance.

PRELIMINARY LEGAL ANALYSIS

1) <u>Letter of credit authorized by Jerry Lebovitz</u>

It is not clear whether Account No. 008-26051 on which the letter of credit was authorized to be drawn was held in the name of Mr. Lebovitz. If it was his account, and if the letter was actually sent to the Bell Telephone Company, then the letter

represents a contribution-in-kind or a loan from Mr. Lebovitz to the Committee. A contribution of $2900 from Mr. Lebovitz would put the Committee in violation of §434(b) for failing to report the letter of credit as either a contribution or a debt. In addition, the Committee would be in violation of §441a(f) as it would seem that the Committee's acceptance of a contribution from an individual in excess of $1000 per election was a knowing acceptance, since Mr. Lebovitz's spouse was chairperson of the Committee. And, because a letter of credit is considered a contribution until the date of its expiration, Mr. Lebovitz would have been in violation of §441a(a)(1)(A) between the date the letter was authorized and September 17, 1976.

2) Payment from the personal account of Judith Lebovitz

It is not clear whether the above-mentioned $2857.56 was payment to the Bell Telephone Company in lieu of the letter of credit authorized by Mr. Lebovitz or in addition to the letter. In either case, the payment constitutes a contribution-in-kind or a loan from Ms. Lebovitz to the Committee, and places the Committee in violation of §434(b) for failing to report its receipt. In addition, the Committee would be in violation of §441a(f), as it would seem that the Committee's acceptance of a contribution from an individual in excess of $1000 per election was knowing acceptance, on account of Ms. Lebovitz's position with the Committee. By virtue of having made this contribution, Ms. Lebovitz would be in violation of §441a(a)(1)(A).

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RECOMMENDATIONS

1. Find reason to believe that the Western Pennsylvania Harris for President Committee violated 2 U.S.C. §§434(b) and 441a(f) by accepting and failing to report contributions in excess of $1000 per election from Jerry Lebovitz and Judith Lebovitz.

2. Find reason to believe that Jerry Lebovitz violated 2 U.S.C. §441a(a)(1)(A).

3. Find reason to believe that Judith Lebovitz violated 2 U.S.C. §441a(a)(1)(A).

4. Send the attached letters.

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ATTACHMENT I

FEDERAL ELECTION COMMISSION

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

REPORT OF THE AUDIT DIVISION

ON

THE HARRIS FOR PRESIDENT COMMITTEE

I. Background

This report covers an audit of the Harris for President Committee, undertaken by the Audit Division to determine whether there has been compliance with the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to 2 U.S.C. 438(a)(8) of the Act, which directs the Commission to give priority to auditing of the verification for, and the receipt and use of, any payments received by a candidate under Chapters 95 or 96 of the Internal Revenue Code of 1954, and by authority of 26 U.S.C. 9038(a) which directs the Commission after each matching payment period to conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees that received payments under Section 9037.

The Harris for President Committee was established as the principal campaign committee, hereafter called the National Committee, by the Honorable Fred R. Harris, and registered with the U.S. General Accounting Office on January 23, 1975. The Harris for President Committee is comprised of the National Committee and 37 affiliated state and local committees. Each affiliated committee had its own treasurer and filed disclosure reports separately from the National Committee. The following 28 affiliated committees were audited:

7 9 0 4 0 1 3 2 5 8 6

Appendix J

WESTERN PENNSYLVANIA HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

A. Filing of Disclosure Reports

The Act, 2 U.S.C. 434(a) and (b) requires each treasurer of a political committee supporting a candidate or candidates for election to Federal office, and each candidate for election to such office, shall file with the Commission reports of receipts and expenditures on forms to be prescribed or approved by it.

The Western Pennsylvania Harris for President Committee's activity disclosed they failed to file disclosure reports for the period March 1, 1976 to April 30, 1976. During this period, the Committee received $4,524.75 and made expenditures of $4,512.41. At our request, the Committee filed disclosure reports on May 18, 1977, covering the unreported period. The affiliated committee filed disclosure reports for the period July 25, 1975, through February 29, 1976.

Recommendation

We recommend the Commission take no action on this matter.

B. Disclosure of Contributor Information

The Act, 2 U.S.C. 434(b)(2) requires a political committee to report the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee within the calendar year in an aggregate amount or value in excess of $100, together with the amount and date of such contributions. Further, the Act, 2 U.S.C. 441a(a)(1)(A) prohibits any person from making contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate exceed $1,000.

7 9 0 4 0 1 3 2 5 8 7

Our review of the Committee's records revealed that a person gave a $2,900.00 letter of credit to the telephone company in order that the Committee's phone service would not be interrupted. The individual also gave a contribution on September 30, 1975 for $250.00. Although the letter of credit is undated, the Committee chairperson stated the letter of credit was issued sometime in the fall of 1975 and it expired on September 19, 1976.

Recommendation

It is our recommendation that the Committee amend their disclosure reports to reflect the letter of credit as both a receipt (memo entry) and as a debt (owed to either the individual or to the phone company. Also, we refer this matter and another similar matter in Finding B of the National Committee's report to the Office of General Counsel for its review and recommendation.

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ATTACHMENT II

Bell Telephone Company of Pennsylvania
201 Stanwix Street
Special Accounts, 5th Floor
Pittsburgh, Pennsylvania 15222

Attention: Mr. William J. Lynch, Manager

Gentlemen:

Re: Irrevocable Letter of Credit

At the request of (Mr. Jerry Lebovitz), you may use this letter as your authority to draw on (008-~~20651~~ 27-051 Mellon Bank, N.A., Pitt Office), at sight, for any sum not exceeding
Name of Bank

($2,900.00), for payment of bills incurred by or chargeable to telephone number (412) (621-8656) at (160 N. Craig Street).

Any draft drwan hereunder must bear the clause "drawn under _____ Bank Letter of Credit No. (_____) dated _____."

We hereby engage with you that any draft drawn in compliance with the terms of this credit shall be duly honored upon presentation, if drawn and negotiated on or before (September 19, 1976).

Very truly yours,

[signature] (Bank)

By: Assistant Manager
(Title of Bank Officer)

[signature]
(Authorized By)

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Timothy Cooper, Treasurer
Western Pennsylvania Harris
for President Committee
310 Bigham Road, Apt. #7
Pittsburgh, Pennsylvania 15211

Re: MUR 498(78)

7 9 0 4 0 1 3 2 5 9 0

Dear Mr. Cooper,

The Federal Election Commission has found reason to believe that the Western Pennsylvania Harris for President Committee may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe that the Committee may have violated 2 U.S.C. §434(b) and §441a(f) by knowingly accepting and failing to report as a contribution-in-kind a $2900 letter of credit furnished by Mr. Jerry Lebovitz to the Bell Telephone Company of Pennsylvania on behalf of the Committee and a $2857.56 loan or contribution-in-kind from Ms. Judith Lebovitz. We have numbered this matter MUR 498(78).

Under the Act you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Any statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, any statements or explanations which you wish to submit to the Commission should be submitted within ten (10) days of receipt of this notification. If you have any questions, please contact Ms. Anne A. Weissenborn, the attorney assigned to this matter, at (202) 523-4039.

This matter will remain confidential in accordance with 2 U.S.C. §437a(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public. If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

79040132591

FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Jerry Lebovitz
6725 Forest Glen Road
Pittsburgh, Pennsylvania 15217

Re: MUR 498(78)

Dear Mr. Lebovitz,

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Sincerely,

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Judith Lebovitz
6725 Forest Glen Road
Pittsburgh, Pennsylvania

Re: MUR 498(78)

Dear Ms. Lebovitz,

The Federal Election Commission has found reason to believe that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe that you violated 2 U.S.C. §441a(a)(1)(A) by making either a contribution-in-kind or a loan to the Western Pennsylvania Harris for President Committee in excess of the $1000 limitation per election per person, this violation having taken place when you wrote a check on your personal account in the sum of $2857.56, dated June 8, 1976, to the Bell Telephone Company of Pennsylvania on behalf of the Committee. We have numbered this matter MUR 498(78).

Under the Act you have an opportunity to demonstrate why no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Any statements or explanations should be made under oath.

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Sincerely,

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

REPORT OF THE AUDIT DIVISION

ON

THE HARRIS FOR PRESIDENT COMMITTEE

I. Background

This report covers an audit of the Harris for President Committee, undertaken by the Audit Division to determine whether there has been compliance with the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to 2 U.S.C. 438(a)(8) of the Act, which directs the Commission to give priority to auditing of the verification for, and the receipt and use of, any payments received by a candidate under Chapters 95 or 96 of the Internal Revenue Code of 1954, and by authority of 26 U.S.C. 9038(a) which directs the Commission after each matching payment period to conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees that received payments under Section 9037.

The Harris for President Committee was established as the principal campaign committee, hereafter called the National Committee, by the Honorable Fred R. Harris, and registered with the U.S. General Accounting Office on January 28, 1975. The Harris for President Committee is comprised of the National Committee and 37 affiliated state and local committees. Each affiliated committee had its own treasurer and filed disclosure reports separately from the National Committee. The following 28 affiliated committees were audited:

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Committee	Appendix
Harris for President Committee - Southern California	A.
Harris for President Committee - Northern California	B
Fred Harris for President - Colorado	
Connecticut Harris for President Committee	
Chicagoland Harris for President Committee	C
Downstate Illinois Committee for Fred Harris for President	
Iowa Committee for Harris for President	D
Maryland Harris for President	E
Massachusetts Harris for President Committee	F
Fred Harris for President Committee of Ann Arbor	
Minnesota Harris for President Committee	
Mississippi Harris for President Committee	
Nebraska Fred Harris for President Committee	
New Hampshire Harris for President Committee	G
New Jersey Harris for President Committee	
Harris for President Committee of New Mexico	
New York Harris for President Committee	H
North Carolina Harris for President Committee	
Oklahoman's for Fred Harris for President	I
Toledoans for Harris for President	
Oregon Harris for President	
Western Pennsylvania Harris for President	J

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Eastern Pennsylvania Harris for President	K
Rhode Island Harris for President Committee	L
Fred Harris for President Texas Committee	M
Virginia Fred Harris for President Committee	
Washington Harris for President	
Wisconsin Harris for President Committee	N

Those affiliated committees with a referenced appendix have Findings and Conclusions which require further consideration by the Commission.

The remaining 9 affiliated committees that were not audited had less than $7,838.00 in total receipts or expenditures, minus transfers, and received no federal matching funds.

The principal officers of the Committee at the time of the audit were the Honorable Fred R. Harris, Chairman and Mr. Jim Hightower, Treasurer. The audit covered the period January 1, 1975, through September 30, 1976. During that period, the National Committee and the 37 affiliated committees reported receipts less affiliated committee's transfers of $1,550,996.52 and expenditures less affiliated committee transfers of $1,542,417.92. 1/

This audit report is based on documents and working papers supporting each of its factual statements. They form part of the record upon which the Commission based its decisions on the matters in this report, and were available to Commissioners and appropriate staff for review.

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1/ Adjusted receipts less transfers total $1,599,033.57 and adjusted expenditures less transfers total $1,590,097.97. The adjusted figures are the result of the audit and correction of Committee math errors. See Sections C, D, and Appendix I of the Audit report for an explanation of the adjustments resulting from the audit.

Appendix J

WESTERN PENNSYLVANIA HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

A. Filing of Disclosure Reports

The Act, 2 U.S.C. 434(a) and (b) requires each treasurer of a political committee supporting a candidate or candidates for election to Federal office, and each candidate for election to such office, shall file with the Commission reports of receipts and expenditures on forms to be prescribed or approved by it.

The Western Pennsylvania Harris for President Committee's activity disclosed they failed to file disclosure reports for the period March 1, 1976 to April 30, 1976. During this period, the Committee received $4,524.75 and made expenditures of $4,512.41. At our request, the Committee filed disclosure reports on May 18, 1977, covering the unreported period. The affiliated committee filed disclosure reports for the period July 25, 1975, through February 29, 1976.

Recommendation

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B. Disclosure of Contributor Information

The Act, 2 U.S.C. 434(b)(2) requires a political committee to report the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee within the calendar year in an aggregate amount or value in excess of $100, together with the amount and date of such contributions. Further, the Act, 2 U.S.C. 441a(a)(1)(A) prohibits any person from making contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate exceed $1,000.

7 9 0 4 0 1 3 2 5 9 9

Our review of the Committee's records revealed that a person gave a $2,900.00 letter of credit to the telephone company in order that the Committee's phone service would not be interrupted. The individual also gave a contribution on September 30, 1975 for $250.00. Although the letter of credit is undated, the Committee chairperson stated the letter of credit was issued sometime in the fall of 1975 and it expired on September 19, 1976.

Recommendation

It is our recommendation that the Committee amend their disclosure reports to reflect the letter of credit as both a receipt (memo entry) and as a debt (owed to either the individual or to the phone company. Also, we refer this matter and another similar matter in Finding B of the National Committee's report to the Office of General Counsel for its review and recommendation.

7 9 0 4 0 1 3 2 6 0 0

498
MUR ~~[illegible]~~

September 6, 1977

WCO/ Am I to review these, or file

MEMORANDUM TO: Charlie Steele

FROM: Dan Swillinger DS

SUBJECT: Harris for President Committee

Attached is the audit report for the Harris National Committee and 14 affiliated committees. The Audit Division recommends several items for review for possible MUR treatment. In addition, there are other items which I think should be reviewed.

1. pp. 5-6, Item B, excess contributions.

2. p. 7, Item E, failure to deposit receipts, failure to make expenditures by check in the amount of $4,600.

3. p. 10, Item H, general failure to disclose. The Audit Division believes that the report as a whole reflects a consistent disregard of the Act and regulations, by the National Committee and the affiliated committee. This is the first instance of such a pattern of failure to accurately report and maintain records on such a grand scale. Brad and I concur that you should consider a "blanket" MUR, in addition to the specific items noted.

4. Appendix I, failure to report, failure to maintain records.

5. Appendix J, excess contribution.

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FEDERAL ELECTION COMMISSION

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

September 1, 1977

MEMORANDUM

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER BL for OBP
DREW MCKAY

FROM: BOB COSTA/JIM NYCUM

SUBJECT: INTERIM AUDIT REPORT-HARRIS FOR PRESIDENT COMMITTEE

The attached interim audit report on the Harris for President Committee is forwarded for review by your office.

For the Commission's consideration Finding A of the audit report points out a loophole in the Commission's Regulations; specifically, the non-reporting of contributors who contribute less than $100 to two or more affiliated committees, but in the aggregate the contributor's contributions exceed the $100 reporting requirement of Part 104.2 (b)(2) and 104.5 of the Regulations. Although the audit report does not detail a finding, a similar omission exists for the non-reporting of expenditures in amounts less than $100 to the same payee by more than one affiliated committee when the aggregate of the expenditures exceed $100, see Part 104.2(b)(9) and 104.5 of the Regulations.

The Commission through Part 130.8(a)(2) of the Regulations closed a similar loophole for the matching funds process by requiring a matchable contribution be deposited in a depository of the principal campaign committee. Consistent with that policy, the requirements of Section 434(b)(2), (5), (7), (9), (10) and (13) of Title 2, United States Code, and Chapter IV (Consolidated Recordkeeping Procedures for Affiliated Committees) of the Bookkeeping Manual, the Audit Division recommends that the existing reporting loophole be closed by amending the Regulations. Specifically, Part 102.9 should be amended to include the requirements that the treasurer

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of the principal campaign committee is responsible for keeping records for the receipt of contributions and expenditures of campaign funds. Additionally, Part 104.3(c) should be amended to require that only the principal campaign committee file reports with the Commission and delete the requirements for the consolidation FEC Form 3b. FEC Form 3b consolidates summary financial data and not individual contributor and expenditure information. The proposed change to Part 102.9 would enable the principal campaign committee to monitor the contributions received for the $1000 contribution limit as well as, the reporting limits.

Attachments as stated

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FEDERAL ELECTION COMMISSION

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REPORT OF THE AUDIT DIVISION

ON

THE HARRIS FOR PRESIDENT COMMITTEE

I. Background

This report covers an audit of the Harris for President Committee, undertaken by the Audit Division to determine whether there has been compliance with the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to 2 U.S.C. 438(a)(8) of the Act, which directs the Commission to give priority to auditing of the verification for, and the receipt and use of, any payments received by a candidate under Chapters 95 or 96 of the Internal Revenue Code of 1954, and by authority of 26 U.S.C. 9038(a) which directs the Commission after each matching payment period to conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees that received payments under Section 9037.

The Harris for President Committee was established as the principal campaign committee, hereafter called the National Committee, by the Honorable Fred R. Harris, and registered with the U.S. General Accounting Office on January 28, 1975. The Harris for President Committee is comprised of the National Committee and 37 affiliated state and local committees. Each affiliated committee had its own treasurer and filed disclosure reports separately from the National Committee. The following 28 affiliated committees were audited:

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Committee	Appendix
Harris for President Committee - Southern California	A
Harris for President Committee - Northern California	B
Fred Harris for President - Colorado	
Connecticut Harris for President Committee	
Chicagoland Harris for President Committee	C
Downstate Illinois Committee for Fred Harris for President	
Iowa Committee for Harris for President	D
Maryland Harris for President	E
Massachusetts Harris for President Committee	F
Fred Harris for President Committee of Ann Arbor	
Minnesota Harris for President Committee	
Mississippi Harris for President Committee	
Nebraska Fred Harris for President Committee	
New Hampshire Harris for President Committee	G
New Jersey Harris for President Committee	
Harris for President Committee of New Mexico	
New York Harris for President Committee	H
North Carolina Harris for President Committee	
Oklahoman's for Fred Harris for President	I
Toledoans for Harris for President	
Oregon Harris for President	
Western Pennsylvania Harris for President	J

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Eastern Pennsylvania Harris for President	K
Rhode Island Harris for President Committee	L
Fred Harris for President Texas Committee	M
Virginia Fred Harris for President Committee	
Washington Harris for President	
Wisconsin Harris for President Committee	N

Those affiliated committees with a referenced appendix have Findings and Conclusions which require further consideration by the Commission.

The remaining 9 affiliated committees that were not audited had less than $7,838.00 in total receipts or expenditures, minus transfers, and received no federal matching funds.

The principal officers of the Committee at the time of the audit were the Honorable Fred R. Harris, Chairman and Mr. Jim Hightower, Treasurer. The audit covered the period January 1, 1975, through September 30, 1976. During that period, the National Committee and the 37 affiliated committees reported receipts less affiliated committee's transfers of $1,550,996.52 and expenditures less affiliated committee transfers of $1,542,417.92. 1/

This audit report is based on documents and working papers supporting each of its factual statements. They form part of the record upon which the Commission based its decisions on the matters in this report, and were available to Commissioners and appropriate staff for review.

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1/ Adjusted receipts less transfers total $1,599,033.57 and adjusted expenditures less transfers total $1,590,097.97. The adjusted figures are the result of the audit and correction of Committee math errors. See Sections C, D, and Appendix I of the Audit report for an explanation of the adjustments resulting from the audit.

II. Findings and Conclusions

A. Disclosure of Contributor Information

The Act, 2 U.S.C. 434(b)(2), requires a political committee supporting a candidate for a Federal office to report the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee within the calendar year in an aggregate amount or value in excess of $100, together with the amount and date of such contributions.

1. Our review of the Committee's submissions for matching funds and disclosure reports revealed that out of a test of 134 contributors aggregating over $100, 32 contributors (23.88%) whose contributions aggregated over $100 were not itemized on the National Committee's disclosure reports or the affiliated committee's disclosure reports. An analysis of the 32 contributors disclosed that 15 (11.19%) did not give any one contribution in excess of $100, but the total of the contributions made to both the National and the affiliate committee(s) by each of these individuals exceeded $100; 9 (6.72%) gave only to the National Committee, and 8 (5.97%) gave only to the affiliated committees.

Recommendation

The Harris for President Committee operated its campaign through the National Committee and the state affiliates, but apparently did not establish a system for reporting contributors that aggregated in excess of $100.00 resulting from individuals contributing to both the National Committee and the affiliated committee(s). However, 11.19% of the error rate is attributed to an omission in the Commission regulations. The remaining 12.69% of the error rate, contributors that contributed in excess of $100.00 to the National Committee or an affiliated committee, is within the error range of other presidential committees after they filed amended reports. Therefore, we recommend the Commission determine the Committee's reporting was acceptable for the circumstances; however, we recommend that the Commission amend its regulations to eliminate the omission.

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2. All itemized contributors on the National Committee's disclosure reports were checked for occupation and principal place of business. Out of a total of 388 itemized contributors, 186 (47.93%) contributors lacked sufficient information to satisfy the requirements of the Act. National Committee officials informed us they were successful in obtaining the required missing information; however, amendments were not filed. Currently, the National Committee is unable to locate the additional information in their records.

Recommendation

Based on the high rate of omission, we recommend the Committee be required to amend their reports within 30 days.

B. Limitation On Contributions

The Act, 2 U.S.C. 441a(a)(1)(A), prohibits a person from making contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate exceed $1,000.

Our review disclosed that five individual's contributions exceeded the $1,000 limitation. Three of the contributors exceeded the limitation when they made loans to the Committee in addition to contributions previously made. The National Committee's disclosure reports and records substantiate that the loans were repaid by the Committee. As for the loans, the longest period of time for exceeding the limitation was sixty-seven (67) days. The other two individuals actually made contributions that aggregated over $1,000. One individual gave $1,015.50 and the other gave $1,400 to the Committee. The $400 in excess of the limitation was outstanding from October 15, 1975, through June 21, 1977, and the other $15.50 resulted from a contribution-in-kind. On June 21, 1977, the National Committee informed us they had issued checks to these individuals for their excessive contributions and will send in photostat copies of the cancelled checks to the Commission.

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Recommendation

We recommend that the Commission request in writing that the Committee produce the necessary documentation to show the return of the excess contributions in this matter and a similar matter in Appendix J, Finding B within 30 days. Should the documentation not be provided within this time period, the matter would be referred to the Office of General Counsel for whatever action they deem appropriate.

C. Understatement of Receipts

The Act, 2 U.S.C. 434(b)(8) requires a committee to report the total sum of all receipts by or for such committee or candidate during the reporting period, together with total receipts less transfers between political committees which support the same candidate and which do not support more than one candidate.

Our review disclosed that the National Committee understated its total receipts during the period audited by $33,896.70. At our request, the National Committee filed amended disclosure reports on October 9, 1975 and January 31, 1977 correcting their reported receipts.

Recommendation

Since the Committee has corrected the public record, our recommendation is that no further action be taken by the Commission.

D. Understatement of Expenditures

The Act, 2 U.S.C. 434(b)(11) requires disclosure of the total sum of expenditures made by a candidate or committee during the calendar year, together with total expenditures less transfers between political committees which support the same candidate and which do not support more than one candidate.

Our review disclosed that the National Committee understated its total expenditures during the period audited by $17,774.92. At our request, the National Committee filed amended disclosure reports on October 9, 1975 and January 31, 1977 correcting their reported expenditures.

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Recommendation

Since the Committee corrected the public record, our recommendation is that no further action be taken by the Commission.

E. Receipts Not Deposited

The Act, 2 U.S.C. 437b(a)(1), requires each candidate to designate one or more national or state banks as his campaign depositories. The principal campaign committee of such candidate, and any other political committee authorized by him to receive contributions or to make expenditures on his behalf, shall maintain a single checking account and such other accounts as the committee determines to maintain at its discretion at a depository designated by the candidate and shall deposit any contributions received by such committee into such account. No expenditure may be made by any such committee on behalf of a candidate or to influence his election except by check drawn on such account, other than petty cash.

The audit disclosed that the National Committee did not deposit in a campaign depository $4,614.32 out of a total of $16,418.32 in receipts from a concert. The Committee used the receipts to pay $4,614.32 of concert expenses, but not through the National Committee's checking account. The Committee failed to include this amount in receipts and expenses on their disclosure reports. The Committee corrected total receipts and expenditures for this amount on the amended report they filed on January 31, 1977.

Recommendation

Although this is a violation of the Act, due to the insignificant amount relative to the total amount of activity we recommend that the Commission take no further action on this matter.

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F. Supporting Documentation For Expenditures

The Act, 2 U.S.C. 432(d) requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of $100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds $100.

Our review of the National Committee's expenditure records revealed that out of a sample of 321 expenditures taken from the National Committee's disclosure reports, 20 expenditures (6.23%) were not supported by receipts, invoices, bills, or contemporaneous memoranda. The 20 unsupported expenditures totalled $7,638.77 from the expenditure sample which totalled $307,046.93. Additionally, the total amount of unsupported expenditures for all of the affiliated committees totalled $83,199.43, (see attached Appendices B, C, D, E, F, G, H, I, K, M and N).

Recommendation

With respect to the unsupported expenditures by the National Committee, we recommend the Commission require the Committee to produce the necessary documentation for the unsupported expenditures in the sample within 30 days. We would analyze whatever additional documents were provided and make a determination whether our review should be expanded on the National level.

However, with regard to the state committees, we recommend the Commission preliminarily determine the unsupported expenditures are unqualified campaign expenses, and the National Committee be notified of the Commission's determination and given 30 days to furnish the Commission with the missing documentation. Absent a showing to the contrary, at the end of the 30 days the preliminary determination will become a final determination and the value of the unqualified campaign expenses shall be repaid in full to the U.S. Treasury.

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G. Repayments

Part 134.3(c)(2) of the Commission's Regulations provides that if on the last day of candidate eligibility there are net outstanding campaign obligations, any matching payments received may be retained for a period not exceeding six months after the end of the matching payment period in order to liquidate those obligations. Any amounts paid which are not used to liquidate the net outstanding campaign obligations within six months shall be repaid to the Treasury.

The Act, 26 U.S.C. 9038(b)(2), provides that if the Commission determines that any amount of any payment made to a candidate from the matching payment account was used for any purpose other than:

(A) to defray the qualified campaign expenses with respect to which such payment was made; or

(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses:

it shall notify such candidate of the amount so used, and the candidate shall pay to the Secretary or his delegate an amount equal to such amount.

The Commission preliminarily determined May 11, 1976, to be the day on which the Honorable Fred Harris' candidacy terminated. The candidate was so informed by letter and did not object to the preliminary determination, thereby making it conclusive. As of the date of the candidate's ineligibility, his Committee reported $161,670.82 in net outstanding campaign obligations.

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Our review of Committee expenditures disclosed that the National Committee reimbursed two individuals on February 9, 1976, for $38.00, and June 2, 1976, for $50.00, for traffic tickets they incurred. Additionally, the New York Harris for President Committee paid $40.00 on October 22, 1975, for a parking violation.

Recommendation

We recommend that the Commission preliminarily determine that the expenditures for traffic and parking violations were for other than "qualified campaign expenses", and request repayment in the amount of $128.00 be made to the U.S. Treasury.

H. Conclusions

Based on the number of instances cited in this report and attached appendices of the Committee's failure to comply with the disclosure and recordkeeping requirements of the Act, and in addition to our other recommendations, we recommend the Office of General Counsel consider instituting compliance action against the Harris for President Committee.

III. Auditor's Statement

Except for the matters specifically noted in this report, and the attached appendices, the audit disclosed that the Committees conducted their activities in conformity with the Federal Election Campaign Act of 1971, as amended, and in conformity with Chapter 96 of Title 26, U.S.C., in all material aspects.

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Appendix A

HARRIS FOR PRESIDENT COMMITTEE - SOUTHERN CALIFORNIA

I. Findings and Conclusions

Itemization of Transfers

The Act, 2 U.S.C. 434(b)(4) requires that a committee disclose the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers.

The Harris For President Committee - Southern California was required to itemize 10 transfers, but failed to itemize six (6) transfers totaling $3,569.00 on its disclosure reports.

Recommendation

We recommended on April 11, 1977, an amendment be submitted to reflect the unitemized transfers. The Committee treasurer stated she would amend the reports to reflect the transfers. However, to date we have not received the amended reports. Therefore, we recommend the Commission notify the Committee formally of the requirement for an amendment and give the Committee 30 days to file the amendment.

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Appendix B

HARRIS FOR PRESIDENT COMMITTEE - NORTHERN CALIFORNIA

I. Findings and Conclusions

A. Supporting Documentation for Expenditures

The Act, 2 U.S.C. 432(d) requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of $100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds $100.

We reviewed all Harris for President Committee-Northern California expenditures, which aggregated in excess of $100 to any one vendor or payee, for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed the Committee did not have the required supporting documentation for 13 of 203 expenditures which amounted to $3,274.78 out of $39,062.91 in total expenditures, minus transfers.

Recommendation

We recommend the Commission preliminarily determine the unsupported expenditures are unqualified campaign expenses, and the Committee be notified of the Commission's determination and be given 30 days to furnish the Commission with the missing documentation. Absent a showing to the contrary, at the end of the 30 days the preliminary determination will become a final determination and the value of the unqualified campaign expenses shall be repaid in full to the U.S. Treasury.

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Appendix C

CHICAGOLAND HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

Supporting Documentation for Expenditures

The Act, 2 U.S.C. 432(d), requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of $100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds $100.

We reviewed all Chicagoland Harris for President Committee expenditures which aggregated in excess of $100 to any one vendor or payee for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed the Committee did not have the required supporting documentation for 13 of 55 expenditures which amount to $1,554.45 out of $15,139.35 in total expenditures minus transfers.

Recommendation

We recommend the Commission preliminarily determine the unsupported expenditures are unqualified campaign expenses, and the Committee be notified of the Commission's determination and given 30 days to furnish the Commission with the missing documentation. Absence a showing to the contrary, at the end of the 30 days the preliminary determination will become a final determination and the value of the unqualified campaign expenses shall be repaid in full to the U.S. Treasury.

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Appendix D

IOWA COMMITTEE FOR HARRIS FOR PRESIDENT

I. Findings and Conclusions

Supporting Documentation for Expenditures

The Act, 2 U.S.C. 432(d) requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of $100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds $100.

We reviewed all Iowa Committee for Harris for President expenditures which aggregated in excess of $100 to any one vendor or payee for either a receipted bill invoice or contemporaneous memorandum. Our review revealed the Committee did not have the required supporting documentation for 28 of 91 expenditures which amounted to $4,340.67 out of $33,479.54 in total expenditures minus transfers.

Recommendation

We recommend the Commission preliminarily determine the unsupported expenditures are unqualified campaign expenses, and the Committee be notified of the Commission's determination and given 30 days to furnish the Commission with the missing documentation. Absence a showing to the contrary, at the end of the 30 days the preliminary determination will become a final determination and the value of the unqualified campaign expenses shall be repaid in full to the U.S. Treasury.

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Appendix E

MARYLAND HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

Supporting Documentation for Expenditures

The Act, 2 U.S.C. 432(d) requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of $100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds $100.

We reviewed all Maryland Harris for President Committee expenditures which aggregated in excess of $100 to any one vendor or payee for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed the Committee did not have the required supporting documentation for 5 of 22 expenditures which amount to $1,853.01 out of $7,821.72 in total expenditures minus transfers.

Recommendation

We recommend the Commission preliminarily determine the unsupported expenditures are unqualified campaign expenses, and the Committee be notified of the Commission's determination and given 30 days to furnish the Commission with the missing documentation. Absence a showing to the contrary, at the end of the 30 days the preliminary determination will become a final determination and the value of the unqualified campaign expenses shall be repaid in full to the U.S. Treasury.

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APPENDIX F

MASSACHUSETTS HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

A. Supporting Documentation for Expenditures

The Act, 2 U.S.C. 432(d), requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of $100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds $100.

We reviewed all Massachusetts Harris for President Committee expenditures which aggregated in excess of $100 to any one vendor or payee for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed the Committee did not have the required supporting documentation for 56 of 247 expenditures which amounted to $18,027.02 out of $102,718.92 in total expenditures minus transfers.

Recommendations

We recommend the Commission preliminarily determine the unsupported expenditures are unqualified campaign expenses, and the Committee be notified of the Commission's determination and given 30 days to furnish the Commission with the missing documentation. Absence a showing to the contrary, at the end of the 30 days the preliminary determination will become a final determination and the value of the unqualified campaign expenses shall be repaid in full to the U.S. Treasury.

B. Itemization of Expenditures

The Act, 2 U.S.C. 434(b)(9), requires the Committee to disclose the name and address of each person, along with the purpose of the expenditure, the amount, and the date of the expenditure, to whom an expenditure or expenditures have been made by such committee or candidate which in the aggregate exceed $100.00.

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A 100% trace was conducted to determine if all expenditures which aggregated in excess of $100 to any one vendor were properly reported per Massachusetts Harris for President Committee FEC reports. This trace revealed 30 expenditures which were not itemized but aggregated in excess of $100 to a payee. We requested the Committee amend its reports to itemize these expenditures and the Committee file amended reports on June 30, 1977 itemizing all but 4 of the 30 expenditures.

Recommendation

We recommend that no further action be taken by the Commission.

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Appendix G

NEW HAMPSHIRE HARRIS FOR PRESIDENT

I. Findings and Conclusions

A. Supporting Documentation for Expenditures

The Act, 2 U.S.C.432(d), requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of $100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds $100.

We reviewed all New Hampshire Harris for President expenditures which aggregated in excess of $100 to any one vendor or payee for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed the Committee did not have the required supporting documentation for 80 of 295 expenditures which amounted to $19,314.46 out of $73,221.34 in total expenditures minus transfers.

Recommendation

We recommend the Commission preliminarily determine the unsupported expenditures are unqualified campaign expenses, and the Committee be notified of the Commission's determination and given 30 days to furnish the Commission with the missing documentation. Absence a showing to the contrary, at the end of the 30 days the preliminary determination will become a final determination and the value of the unqualified campaign expenses shall be repaid in full to the U.S. Treasury.

B. Disclosure of Outstanding Debts

The Act, 2 U.S.C. 434(b)(12) requires disclosure of the amount and nature of debts and obligations owed by or to the committee, in such form as the Commission may prescribe and a continuous reporting of their debts and obligations after the election at such periods as the Commission may

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require until such debts and obligations are extinguished, together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefore.

The New Hampshire Harris for President Committee failed to report an outstanding debt in the amount of $2,376.81. At our recommendation, the Committee subsequently amended their report on March 28, 1977, to reflect the outstanding debt.

Recommendation

We recommend that the Commission take no further action in this matter.

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Appendix H

NEW YORK HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

A. Supporting Documentation for Expenditures

The Act, 2 U.S.C. 432(d) requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of $100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds $100.

We reviewed all New York Harris for President Committee expenditures which aggregated in excess of $100 to any one vendor or payee for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed the Committee did not have the required supporting documentation for 26 of 99 expenditures which amounted to $8,483.00 out of $37,720.11 in total expenditures minus transfers.

Recommendation

We recommend the Commission preliminarily determine the unsupported expenditures are unqualified campaign expenses, and the Committee be notified of the Commission's determination and given 30 days to furnish the Commission with the missing documentation. Absence a showing to the contrary, at the end of the 30 days the preliminary determination will become a final determination and the value of the unqualified campaign expenses shall be repaid in full to the U.S. Treasury.

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B. Accounting Services

The Act, 2 U.S.C. 431(e)(4), excludes legal and accounting services rendered on behalf of a candidate or political committee solely for the purpose of ensuring compliance with the provisions of the Federal Election Campaign Act of 1971, as amended, but amounts paid or incurred for such legal or accounting services shall be reported in accordance with Section 434(b).

Our audit of the Committee revealed unreported accounting services from the firm of Mahoney, Cohen & Company, P.C. The Committee Treasurer, Mr. Cohen, stated the firm provided accounting services in the form of personnel, office space, utilities, phones, typing facilities, xerox machines and furniture. Based on a conversation with the treasurer, we estimate the costs of these services to be significant. The treasurer stated he would file an amendment after receiving a formal request from the Commission.

Recommendation

We recommend the Commission notify the Committee in writing of its reporting obligation and give the Committee 30 days to file an amendment.

C. Non-qualified Campaign Expense

Part 134.2(a)(2) of the Regulations provides, that the Commission shall inform the candidate "if the Commission determines that any amount of any payment made to a candidate from the matching payment account was used for any purpose other than:

(1) to defray qualified campaign expenses; or

(2) to repay loans which were used to defray qualified campaign expenses. . . ."

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Our review disclosed the Committee paid $40.00 on October 22, 1975, for parking violations.

Recommendation

This and another similar matter are dealt with in Finding G of the National Committee report.

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Appendix J

WESTERN PENNSYLVANIA HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

A. Filing of Disclosure Reports

The Act, 2 U.S.C. 434(a) and (b) requires each treasurer of a political committee supporting a candidate or candidates for election to Federal office, and each candidate for election to such office, shall file with the Commission reports of receipts and expenditures on forms to be prescribed or approved by it.

The Western Pennsylvania Harris for President Committee's activity disclosed they failed to file disclosure reports for the period March 1, 1976 to April 30, 1976. During this period, the Committee received $4,524.75 and made expenditures of $4,512.41. At our request, the Committee filed disclosure reports on May 18, 1977, covering the unreported period. The affiliated committee filed disclosure reports for the period July 25, 1975, through February 29, 1976.

Recommendation

We recommend the Commission take no action on this matter.

B. Disclosure of Contributor Information

The Act, 2 U.S.C. 434(b)(2) requires a political committee to report the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee within the calendar year in an aggregate amount or value in excess of $100, together with the amount and date of such contributions. Further, the Act, 2 U.S.C. 441a(a)(1)(A) prohibits any person from making contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate exceed $1,000.

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Our review of the Committee's records revealed that a person gave a $2,900.00 letter of credit to the telephone company in order that the Committee's phone service would not be interrupted. The individual also gave a contribution on September 30, 1975 for $250.00. Although the letter of credit is undated, the Committee chairperson stated the letter of credit was issued sometime in the fall of 1975 and it expired on September 19, 1976.

Recommendation

It is our recommendation that the Committee amend their disclosure reports to reflect the letter of credit as both a receipt (memo entry) and as a debt (owed to either the individual or to the phone company. Also, we refer this matter and another similar matter in Finding B of the National Committee's report to the Office of General Counsel for its review and recommendation.

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Appendix K

EASTERN PENNSYLVANIA HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

Supporting Documentation for Expenditures

The Act, 2 U.S.C. 432(d), requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of political committees in excess of $100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds $100.

We reviewed all Committee expenditures, which aggregated in excess of $100 to any one vendor or payee, for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed the Committee did not have the required supporting documentation for 6 of 47 expenditures which amounted to $6,912.50 out of $16,588.83 in total expenditures, minus transfers.

Recommendation

We recommend the Commission preliminarily determine the unsupported expenditures are unqualified campaign expenses and the Committee be notified of the Commission's determination and be given 30 days to furnish the Commission with the missing documentation. Absence a showing to the contrary, at the end of the 30 days the preliminary determination will become a final determination and the value of the unqualified campaign expenses shall be repaid in full to the U.S. Treasury.

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Appendix L

RHODE ISLAND HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

Disclosure of Expenditure Information

The Act, 2 U.S.C. 434(b)(9), requires the Committee to disclose the name and address of each person, along with the purpose of the expenditure, the amount and the date, to whom expenditures have been made by such committee or candidate when the aggregate amount of such expenditures exceed $100.

A 100% trace was conducted to determine if all expenditures which aggregated in excess of $100 to any one vendor were properly reported. The Committee failed to correctly itemize six (6) expenditures totaling $1,043.50. On July 8, 1977, we requested the Committee file an amendment supplying the missing itemization. The letter requesting the amendment was returned as non-delivered.

Recommendation

We recommend the Commission take no further action on this matter.

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Appendix M

FRED HARRIS FOR PRESIDENT TEXAS COMMITTEE

I. Findings and Conclusions

Supporting Documentation for Expenditures

The Act, 2 U.S.C. 432(d), requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of political committees in excess of $100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds $100.

We reviewed all Fred Harris for President Texas Committee expenditures which aggregated in excess of $100 to any one vendor or payee for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed the Committee did not have the required supporting documentation for 18 expenditures which amounted to $2,528.14 out of $4,249.62 in total expenditures, minus transfers.

Recommendation

We recommend the Commission preliminarily determine the unsupported expenditures are unqualified campaign expenses, and the Committee be notified of the Commission's determination and given 30 days to furnish the Commission with the mssing documentation. Absence a showing to the contrary, at the end of the 30 days the preliminary determination will become a final determination and the value of the unqualified campaign expenses shall be repaid in full to the U.S. Treasury.

Appendix N

WISCONSIN HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

Supporting Documentation for Expenditures

The Act, 2 U.S.C. 432(d), requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of political committees in excess of $100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds $100.

During the audit we compared a statisical sample of 170 expenditures from the Committee's cancelled checks to Committees receipted bills. The Committee failed to provide either a receipted bill, invoice or contemporaneous memorandum for 15 of 55 expenditures which aggregated in excess of $100. The 15 expenditures with no documentation total $2,338.90 out of $30,502.75 in total expenditures minus transfers.

Recommendation

We recommend the Commission preliminarily determine the unsupported expenditures are unqualified campaign expenses, and the Committee be notified of the Commission's determination and given 30 days to furnish the Commission with the missing documentation. Absence a showing to the contrary, at the end of the 30 days the preliminary determination will become a final determination and the value of the unqualified campaign expenses shall be repaid in full to the U.S. Treasury.

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FEDERAL ELECTION COMMISSION

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WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 498

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