



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 623

Date Filmed 4/26/79 Camera No. --- 2

Cameraman SPC

79040121206



FEDERAL ELECTION COMMISSION

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

March 29, 1979

Jan R. Westervelt, Treasurer
Vermont Republican Federal
Elections Committee
Post Office Box 601
Barre, Vermont 05641

Re: MUR 623

Dear Ms. Westervelt:

On March 27 1979, the Commission voted to close the file in the above-captioned matter. A copy of the Conciliation Agreement signed by you and the General Counsel is enclosed.

A copy of this Agreement and other materials will be placed in this matter's public disclosure file.

Thank you for your cooperation in this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosure



40121207

'79 MAR 12 AM 10:39

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

The Vermont Republican
Federal Elections Committee

)
)
)
)

MUR 623

901358

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 Vermont Republican Federal Elections Committee, (hereinafter referred to as "Respondent",) violated 2 U.S.C. § 441b by accepting a loan repayment from the Vermont Republican State Committee.

WHEREFORE, the Commission and Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437g(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. Respondent loaned \$5,000 on March 9, 1976 to the Vermont Republican State Committee, an

79040121208

unregistered entity which supports state and local candidates. On October 12, 1976, the Vermont Republican State Committee repaid this loan in full.

- B. The Vermont Republican State Committee accepts corporate contributions and maintains a single account. The Vermont Republican State Committee's loan repayment therefore was paid from an account which contained corporate funds.

WHEREFORE, Respondent agrees that:

I. Under 2 U.S.C. § 441b, a political committee such as the Vermont Republican Federal Elections Committee may not accept or receive contributions from corporations or labor organizations.

II. For purposes of this section of the Act, the definition of contributions includes "any direct or indirect payment" such as, in this case, a loan repayment. Also, 2 U.S.C. § 431(e)(3), which defines contribution includes, "funds received by a political committee which are transferred to such committee from another political committee or other source."

III. Respondent's acceptance of this loan repayment constituted acceptance of corporate contributions commingled in the funds which composed the payment. Although Respondent did not knowingly or willfully violate the Act, Respondent concedes that the acceptance of this loan repayment constitutes a violation of 2 U.S.C. § 441b.

IV. Respondent will pay a civil penalty in the amount of ONE HUNDRED (\$100) DOLLARS pursuant to 2 U.S.C. § 436g(a) (5) (B).

79040121209

General Conditions

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matters at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court of the District of Columbia.

II. 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.

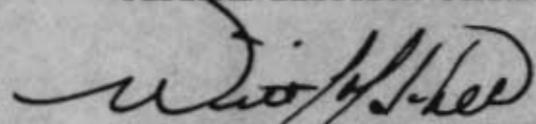
III. It is mutually agreed that this Agreement will become effective on the date that all parties hereto have executed the same and the Commission has approved the entire Agreement.

79040121210

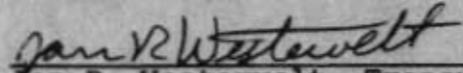
3/28/79
Date

3-7-79
Date

FEDERAL ELECTION COMMISSION



William C. Oldaker
General Counsel



Jan R. Westervelt, Treasurer
Vermont Republican Federal
Elections Committee

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 623
The Vermont Republican Federal)
Elections Committee)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 27, 1979, the Commission determined by a vote of 6-0 to adopt the following recommendations, as set forth in the General Counsel's Memorandum dated March 22, 1979, regarding the above-captioned matter:

1. Close the file.
2. Send the letter attached to the above-named report.

Attest:

3/28/79

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission



Received in Office of Commission Secretary: 3-23-79, 12:15
Circulated on 48 hour vote basis: 3-23-79, 4:30

79040121211

March 23, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. GALT
SUBJECT: MUR 623

Please have the attached Memo distributed to the
Commission on a 48 hour tally basis.

Thank you.

79040121212



FEDERAL ELECTION COMMISSION

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

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 MAR 23 P12:15

MEMORANDUM

TO: The Commission

FROM: William C. Oldaker
General Counsel *W.C.O.*

RE: The Vermont Republican Federal Elections
Committee -- MUR 623

DATE: March 24 1979

On November 10, 1978, the Commission found reasonable cause to believe that the Vermont Republican Federal Elections Committee violated 2 U.S.C. § 441b by accepting a loan repayment from the Vermont Republican State Committee.

The Respondent has now signed the conciliation agreement, (See attached), and paid the civil penalty assessed in connection with this matter.

RECOMMENDATION

1. Close the file.
2. Send the attached letter.

Attachments:

Conciliation Agreement
Letter



79040121213

Lindsay
RECEIVED
FEDERAL ELECTION
COMMISSION

REC#
9571

'79 MAR 12 AM 10:39

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

The Vermont Republican
Federal Elections Committee

)
)
)
)

MUR 623

901388

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 Vermont Republican Federal Elections Committee, (hereinafter referred to as "Respondent",) violated 2 U.S.C. § 441b by accepting a loan repayment from the Vermont Republican State Committee.

WHEREFORE, the Commission and Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437g(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. Respondent loaned \$5,000 on March 9, 1976 to the Vermont Republican State Committee, an

79040121214

unregistered entity which supports state and local candidates. On October 12, 1976, the Vermont Republican State Committee repaid this loan in full.

- B. The Vermont Republican State Committee accepts corporate contributions and maintains a single account. The Vermont Republican State Committee's loan repayment therefore was paid from an account which contained corporate funds.

WHEREFORE, Respondent agrees that:

I. Under 2 U.S.C. § 441b, a political committee such as the Vermont Republican Federal Elections Committee may not accept or receive contributions from corporations or labor organizations.

II. For purposes of this section of the Act, the definition of contributions includes "any direct or indirect payment" such as, in this case, a loan repayment. Also, 2 U.S.C. § 431(e)(3), which defines contribution includes, "funds received by a political committee which are transferred to such committee from another political committee or other source."

III. Respondent's acceptance of this loan repayment constituted acceptance of corporate contributions commingled in the funds which composed the payment. Although Respondent did not knowingly or willfully violate the Act, Respondent concedes that the acceptance of this loan repayment constitutes a violation of 2 U.S.C. § 441b.

IV. Respondent will pay a civil penalty in the amount of ONE HUNDRED (\$100) DOLLARS pursuant to 2 U.S.C. § 436g(a)(5) (B).

79040121215

General Conditions

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matters at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court of the District of Columbia.

II. 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.

III. 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

3-7-79
Date

William C. Oldaker
General Counsel

Jan R. Westervelt
Jan R. Westervelt, Treasurer
Vermont Republican Federal
Elections Committee

79040121216

VERMONT REPUBLICAN
FEDERAL ELECTIONS COMMITTEE

No. 99

58-26
116

2-7 1979

PAY TO THE ORDER OF Federal Election Commission \$100.-

One hundred and 00/100 DOLLARS

GRANITE SAVINGS BANK
and Trust Company
BARRE, VERMONT 05641

Jan Waterworth

⑆011600266⑆ 132 208 6*

79040121217



FEDERAL ELECTION COMMISSION

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

Jan R. Westervelt, Treasurer
Vermont Republican Federal
Elections Committee
Post Office Box 601
Barre, Vermont 05641

Re: MUR 623

Dear Ms. Westervelt:

On March , 1979, the Commission voted to close the file in the above-captioned matter. A copy of the Conciliation Agreement signed by you and the General Counsel is enclosed.

A copy of this Agreement and other materials will be placed in this matter's public disclosure file.

Thank you for your cooperation in this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosure



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FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
DATE: MARCH 13, 1979
SUBJECT: MUR 623 - Interim Conciliation Report
dated 3-9-79; Received in
OCS 3-12-79, 9:50

The above-named document was circulated on a 24
hour no-objection basis at 4:30, Monday, March 12, 1979.

The Commission Secretary's Office has received
no objections to the Interim Conciliation Report as of
4:30 this date.

79040121219

March 12, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 623

Please have the attached Interim Concil Report
on MUR 623 distributed to the Commission.

Thank you.

79040121220

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
SECRETARY

In the Matter of)
)
the Vermont Republican Federal) MUR 623
Elections Committee)

9 MAR 12 A 9: 50

INTERIM CONCILIATION REPORT

On November 29, 1978, the Commission approved an amended conciliation agreement in this matter. The respondent has placed the signed conciliation agreement and civil penalty payment in the mail and it is expected at this Office by the beginning of next week. Upon receipt of the signed conciliation agreement and payment, this Office will recommend that the matter be closed.

3/7/79
Date

William C. Oldaker
William C. Oldaker
General Counsel

by Gary L. Johnson

79040121221

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

The Vermont Republican
Federal Elections Committee

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)
)
)

MUR 623

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 Vermont Republican Federal Elections Committee, (hereinafter referred to as "Respondent",) violated 2 U.S.C. § 441b by accepting a loan repayment from the Vermont Republican State Committee.

WHEREFORE, the Commission and Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437g(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. Respondent loaned \$5,000 on March 9, 1976 to the Vermont Republican State Committee, an

79040121222

unregistered entity which supports state and local candidates. On October 12, 1976, the Vermont Republican State Committee repaid this loan in full.

- B. The Vermont Republican State Committee accepts corporate contributions and maintains a single account. The Vermont Republican State Committee's loan repayment therefore was paid from an account which contained corporate funds.

WHEREFORE, Respondent agrees that:

I. Under 2 U.S.C. § 441b, a political committee such as the Vermont Republican Federal Elections Committee may not accept or receive contributions from corporations or labor organizations.

II. For purposes of this section of the Act, the definition of contributions includes "any direct or indirect payment" such as, in this case, a loan repayment. Also, 2 U.S.C. § 431(e)(3), which defines contribution includes, "funds received by a political committee which are transferred to such committee from another political committee or other source."

III. Respondent's acceptance of this loan repayment constituted acceptance of corporate contributions commingled in the funds which composed the payment. Although Respondent did not knowingly or willfully violate the Act, Respondent concedes that the acceptance of this loan repayment constitutes a violation of 2 U.S.C. § 441b.

IV. Respondent will pay a civil penalty in the amount of ONE HUNDRED (\$100) DOLLARS pursuant to 2 U.S.C. § 436g(a)(5) (B).

79040121223

General Conditions

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matters at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court of the District of Columbia.

II. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437 g(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.

III. 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

3-7-79
Date

William C. Oldaker
General Counsel

Jan R. Westervelt
Jan R. Westervelt, Treasurer
Vermont Republican Federal
Elections Committee

79040121224

VERMONT REPUBLICAN
FEDERAL ELECTIONS COMMITTEE

No. 99

58-26
116

3-7 1979

PAY TO THE
ORDER OF

Federal Election Commission \$100.-

One hundred and 00/100 DOLLARS

GRANITE SAVINGS BANK
and Trust Company
BARRE, VERMONT 05641

Jan Westervelt

⑆011600266⑆

132 208 6#

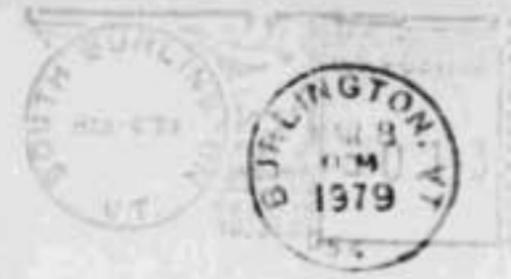
7904012121

7 9 0 4 0 1 2 1 2 2

FEDERAL ELECTION
COMMISSION

1979 MAR 17 AM 10:39

WESTERVELT & PEAKE ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 601
BARRE, VERMONT 05641



Federal Election Commission
1325 K Street N.W.
Washington D.C. 20463



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

February 7, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jan R. Westervelt,
Treasurer, VRFEC
P.O. Box 601,
Barre, Vermont 05641

Re: MUR 523

Dear Mr. Westervelt:

On February 6, 1979, the Commission approved the enclosed amended conciliation agreement in this matter.

The enclosed agreement reflects the provisions that were orally agreed upon with Robert Rachlin on January 26, 1979, and this agreement has been approved by the Commission.

Please sign the agreement and return it to the Commission along with the required payment made out to the United States Treasury. If you have any questions please call Clare Lindsay at 202-523-4175.

Sincerely,

William C. Oldaker
General Counsel

7 0 4 0 1 2 1 2 2 7

1. The following service is requested (check one). <input type="checkbox"/> Show to whom and date delivered <input checked="" type="checkbox"/> Show to whom, date, and address of delivery <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery (CONSULT POSTMASTER FOR FEES)		2. ARTICLE ADDRESSED TO: JAN WESTERVELT	
3. ARTICLE DESCRIPTION: REGISTERED NO. 943948 CERTIFIED NO. INSURED NO.		(Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE <input type="checkbox"/> Addressee <input checked="" type="checkbox"/> Authorized agent Robert S. Peabo	
4. DATE OF DELIVERY FEB 16 1979		POSTMARK BARRE VT	
5. ADDRESS (Complete only if requested) 19 FEB 15		6. UNABLE TO DELIVER BECAUSE CLERK'S	

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
The Vermont Republican Federal) MUR 623
Election Committee)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on February 6, 1979, the Commission adopted the recommendations, as set forth in the General Counsel's Report dated February 1, 1979, to approve the amended conciliation agreement and letter to the Respondent attached to the above-named report.

The action was determined by a vote of 5-0 with Commissioners Springer, Aikens, McGarry, Thomson, and Harris voting.

Attest:

2/6/79

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 2-2-79, 11:38
Circulated on 48 hour vote basis: 2-2-79, 3:00

79040121223

February 2, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 623

Please have the attached General Counsel's Report
On MUR 623 distributed to the Commission on a 48 hour
tally basis.

Thank you.

79040121229

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION 78-5582-11: 38

In the Matter of)
)
The Vermont Republican Federal) MUR 623
Election Committee)
)

General Counsel's Report

On November 29, 1978, the Commission found reasonable cause to believe that the Vermont Republican Federal Election Committee, ("VR FEC"), violated 2 U.S.C. § 441b by accepting a \$5,000 loan repayment from the Vermont Republican State Committee, ("VR SC"), which committee accepts corporate contributions.

Counsel for the Respondent has recently replied with his comments on the conciliation agreement proposed by the Commission. This Office has also discussed revisions to the conciliation agreement which will make it acceptable to both parties.

This Office agrees with the Respondent that the civil penalty of \$500 on the proposed conciliation agreement should be reduced to \$100 inasmuch as the \$5,000 loan repayment in question was an inadvertent violation, which occurred but once, and does not appear to represent a scheme to evade the prohibition against acceptance of corporate contributions by a Federal Committee. The Respondent also does not wish to make an admission of wrongdoing. This Office believes however, that a violation, although inadvertent, did occur and that an admission would be in order. Compromise language, including an admission, has been agreed to

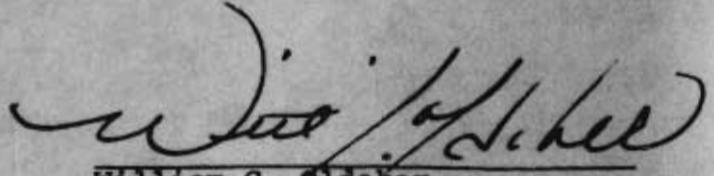
79040121230

by the Respondent and appears on page two of the conciliation agreement which we recommend to the Commission for approval.

RECOMMENDATION

Approve the attached amended conciliation agreement and letter to Respondent.

2/1/79
Date


William C. Oldaker
General Counsel

Attachments:

Revised Conciliation Agreement, Letter to J. Westervelt

79040121231



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jan R. Westervelt,
Treasurer, VR FEC
P.O. Box 601,
Barre, Vermont 05641

Re: MUR 623

Dear Mr. Westervelt:

On February , 1979, the Commission approved the enclosed amended conciliation agreement in this matter.

The enclosed agreement reflects the provisions that were orally agreed upon with Robert Rachlin on January 26, 1979, and this agreement has been approved by the Commission.

Please sign the agreement and return it to the Commission along with the required payment made out to the United States Treasury. If you have any questions please call Clare Lindsay at 202-523-4175.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

7904912123

CFC# 7023

RECEIVED
FEDERAL ELECTION
COMMISSION

LAW OFFICE OF
DOWNS, RACHLIN & MARTIN

ST. JOHNSBURY OFFICE
8 PROSPECT STREET
ST. JOHNSBURY, VT. 05619
PHONE 748-8224

JOHN H. DOWNE
ROBERT D. RACHLIN
ALLEN MARTIN
JOHN L. PRINMER
JAMES G. GALLAGHER
BARY H. BARNES
JAMES G. WHEELER, JR.

PROFESSIONAL CORPORATION
100 DORSET STREET
80. BURLINGTON, VT. 05401

19 JAN 11 9 09

(802) 863-2378
TELEX 92-1887

REPLY TO SBurl

WILLIAM S. PIPER
ROBERT A. HELLO
WILLIAM W. PEARSON
JOHN H. MARSHALL
LEO A. BISSON, JR.
GEORGE T. FARIS, IV
JAN E. EASTMAN
Debra A. Martin

8 January 1979

Ms. Clare Lindsay
Federal Election Commission
1325 K Street NW
Washington, DC 20463

900159

Re: MUR 623
Vermont Republican Federal Elections Committee

Dear Ms. Lindsay:

I appreciate your extending me time to reply to Mr. Oldaker's letter of 4 December 1978.

While it may well be that the acceptance of a loan repayment from a commingled fund constitutes a technical violation of 2 U.S.C. §441b, it should be apparent that the violation was technical in nature, unintentional, and not part of a scheme to evade the prohibition against corporate contributions.

In fact, I am not convinced that there is even a technical violation, absent a plan to evade. For example, a direct contribution by an individual may well be made from funds lawfully derived from a corporate source. Unless the individual were used deliberately as a conduit to evade the prohibition, there would certainly be no violation of law in accepting such an individual contribution. Likewise, repayment of a bona fide loan from funds, some of which derived from corporate sources, would seem not to amount to a violation of law, absent a scheme to evade.

I am chairman of the Federal Elections Committee as of a few months ago, and also serve as counsel to the Vermont Republican Party. In that dual capacity, I would recommend that a civil penalty of \$100.00 be paid in order to compromise a doubtful complaint. I am not willing to recommend that the Vermont Republican Federal Elections Committee enter into any stipulation involving an admission of wrongdoing.

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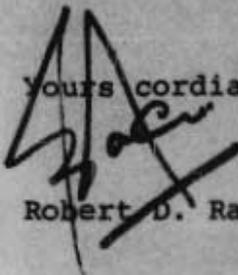
8 January 1979

Page Two

Since it would obviously involve a disproportionate economic burden for us to get into a protracted controversy, I sincerely hope that we can work out some mutually satisfactory resolution.

With good wishes, I am

Yours cordially,



Robert D. Rachlin

j

cc: Mr. Jan R. Westervelt
Mr. James E. Mullin

79040121234

79040121235
LAW OFFICE OF
DOWNS, RACHLIN & MARTIN
100 DORSET STREET
SO. BURLINGTON, VT. 05401

Ms. Clare Lindsay
Federal Elections Committee
1325 K Street NW
Washington, DC 20463



0.15

19 JAN 11 9:10

RECEIVED

600-6093



Telegram

LLB061 B WU TELTEX WSHB017(1055)

1979 JAN 8 PM 1:29 15

DOWNSRACH BURL

TELEX PD BURLINGTON VT JAN 8

MS CLARE LINDSAY

FEDERAL ELECTION COMMISSION

1325 K ST-NW

WASHINGTON DC

RE: MUR 623, VT REPUBLICAN FED ELEC COMM.

REPLY TO OLDAKER LTR OF 4 DEC IS DICTATED AND ON THE WAY.

RGDS.

ROBERT D RACHLIN, CHAIRMAN, VT REP FEC

300094

7 0 0 1 0 1 2 3 0 6

79040121237

WU
western union

Telegram

11157A

Wsk 3017
1055

DOWNNS RACHLIN & MARTIN
100 DORSET ST
8 BURLINGTON VT 05401

 Ma. Igram



1-011155C345 12/11/78 TLX DOWNSRACH BURL W8MC
01 BURLINGTON VT 11 DEC 78

FEDERAL ELECTION
COMMISSION

6000
5849

'78 DEC 12 PM 1:55

Lindsay

MS CLAIRE LINDSAY
FEDERAL ELECTION COMMISSION
1325 K ST NW
WASHINGTON DC 20463

808411

RE YOUR # MUR623, VERMONT FEDERAL ELECTION COMMITTEE.

IF NOT DISGRUNTLED, I AM FAR FROM GRUNTLED TO LEARN OF
YOUR COMMISSION'S LETTER OF 4 DEC 78 TO OUR TREASURER,
JAN WEBSTERVELT.

AS IT IS PRIMARILY INNOCENCE AND IGNORANCE THAT QUALIFY
ME TO BE CHAIRMAN OF THE SAME COMMITTEE, I MUST BEG A
LITTLE TIME TO REVIEW THE STATUTES AND REGULATIONS BEFORE
DECIDING WHETHER THE COUGH UP THE FIVE HUNDRED DOLLARS,
BEG PITEOUSLY FOR MERCY, OR THROW A TANTRUM.

HOPE TO GET BACK TO YOU WITHIN THE SPECIFIED TEN DAYS,
BUT IF WE RUN OVER A BIT, PLEASE BEAR WITH US.

REGARDS,

ROBERT D RACHLIN
DOWNNS RACHLIN & MARTIN
TELEPHONE 802-863-2379
TELEX 92-1897
DOWNSRACH BURL

12:39 EST

HGMCOMP MGH

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5241 (R1/78)

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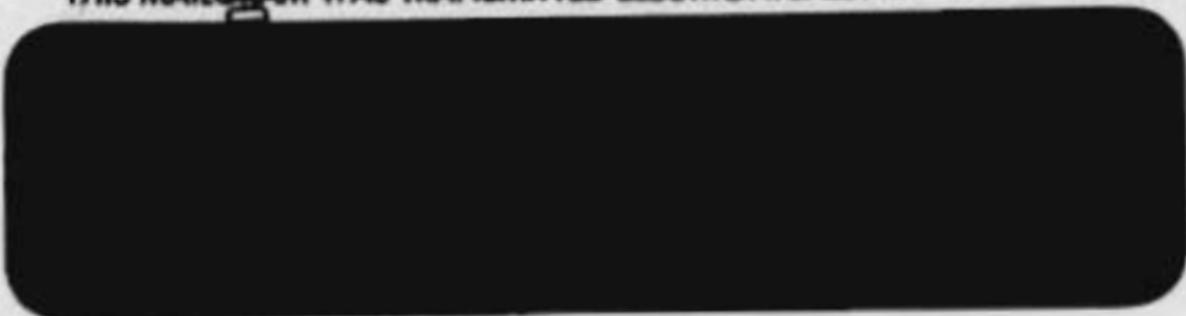


Mailgram



MAILGRAM POSTAL
CHARGES PAID

9 0 4 0



THIS MAILGRAM WAS TRANSMITTED ELECTRONICALLY BY WESTERN UNION TO A POST OFFICE NEAR YOU FOR DELIVERY



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO CHARLES STEELE
FROM: MARJORIE W. EMMONS *MW E*
DATE: JANUARY 4, 1979
SUBJECT: MUR 623 - Interim Conciliation Report
dated 12-26-78, Received in
OCS 1-2-79, 2:45

The above-named document was circulated on a 24
hour no-objection basis at 11:00, January 3, 1979.

The Commission Secretary's Office has received
no objections to the Interim Conciliation Report as of
12:00, this date.

79040121240

January 2, 1979

MEMORANDUM TO: Marge Emmons
FROM: eElissa T. Garr
SUBJECT: MUR 623

Please have the attached Interim Conciliation Report on MUR 623 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

79040121241

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

In the Matter of)
)
Vermont Republican Federal)
Election Committee)

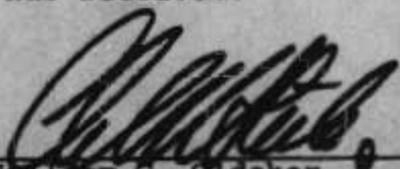
79 JAN 2 P 2: 45
MUR 623

INTERIM CONCILIATION REPORT

On November 29, 1978, the Commission found reasonable cause to believe that the Vermont Republican Federal Election Committee violated 2 U.S.C. § 441b by accepting a loan repayment in the amount of \$5,000 from the Vermont Republican State Committee.

Robert Rachlin, Chairman of the respondent Committee, was forwarded the conciliation agreement by the Treasurer of the respondent Committee. Mr. Rachlin has requested time to review the statutes and regulations before submitting a counter proposal to the Conciliation Agreement he has received.

26 December 1978
Date



William C. Oldaker
General Counsel

79040121242



FEDERAL ELECTION COMMISSION

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

December 4, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jan R. Westervelt,
Treasurer, VRPEC
Post Office Box 601
Barre, Vermont 05641

Re: MUR 623

Dear Mr. Westervelt:

On November 29, 1978, the Federal Election Commission found reasonable cause to believe that the Vermont Republican Federal Elections Committee violated 2 U.S.C. § 441b by accepting a loan repayment from the Vermont Republican State Committee in the amount of \$5,000 in October, 1976.

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 Commission within ten days of your receipt of this letter. If not, please contact Clare Lindsay at 202-523-4529 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

7904012124

79040121244

423 Lindsay

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 c
 Show to whom, date, and address of delivery c
 RESTRICTED DELIVERY Show to whom and date delivered c
 RESTRICTED DELIVERY Show to whom, date, and address of delivery c
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO
 John R. Westervelt

3. ARTICLE DESCRIPTION:
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 | 943153 | |

(Always obtain signature of addressee or agent)

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

4. *John Westervelt*
 DATE OF DELIVERY 12-8-78
 POSTMARK

5. ADDRESS: (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

The Vermont Republican
Federal Elections Committee

)
)
)
)

MUR 623

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 Vermont Republican Federal Elections Committee, (hereinafter referred to as "Respondent",) violated 2 U.S.C. § 441b by accepting a loan repayment from the Vermont Republican State Committee.

WHEREFORE, the Commission and Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437g(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. Respondent loaned \$5,000 on March 9, 1976 to the Vermont Republican State Committee, an

79040121245

unregistered entity which supports state and local candidates. On October 12, 1976, the Vermont Republican State Committee repaid this loan in full.

B. The Vermont Republican State Committee accepts corporate contributions and maintains a single account. The Vermont Republican State Committee's loan repayment therefore was paid from an account which contained corporate funds.

WHEREFORE, Respondent agrees that:

I. Under 2 U.S.C. § 441b, a political committee such as the Vermont Republican Federal Elections Committee may not accept or receive contributions from corporations or labor organizations.

II. For purposes of this section of the Act, the definition of contributions includes "any direct or indirect payment" such as, in this case, a loan repayment. Also, 2 U.S.C. § 431(e)(3), which defines contribution includes, "funds received by a political committee which are transferred to such committee from another political committee or other source."

III. Respondent's acceptance of this loan repayment constituted acceptance of corporate contributions commingled in the funds which composed the payment. This acceptance by the Respondent was in violation of 2 U.S.C. § 441b.

IV. Respondent will pay a civil penalty in the amount of Five Hundred (\$500) Dollars pursuant to 2 U.S.C. § 437g (a)(5)(B).

79040121246

General Conditions

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matters at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court of the District of Columbia.

II. 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.

III. 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

Date

Jan R. Westervelt, Treasurer
Vermont Republican Federal
Elections Committee

79040121247



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
DATE: NOVEMBER 16, 1978
SUBJECT: MUR 623 - General Counsel's Report dated
11-10-78: Received in OCS:
11-14-78, 11:06

The above-named document was circulated on a 48
hour vote basis at 3:30, November 14, 1978.

Commissioner Aikens submitted an objection at close
of business on November 15, 1978. thereby placing MUR 623
on the Executive Session Agenda for November 29, 1978.

79040121248

November 14, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 623

Please have the attached General Counsel's Report on MUR 623 distributed to the Commission on a 48 hour tally basis.

Thank you.

79040121249

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
The Vermont Republican) MUR 623
Federal Electicns Committee)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 29, 1978, the Commission determined by a vote of 6-0 to adopt the following recommendations, as set forth in the General Counsel's Report dated November 10, 1978, regarding the above-captioned matter:

1. Find reasonable cause to believe the VR FEC violated 2 U.S.C. §441b.
2. Send the Conciliation Agreement and letter attached to the above-named report.

Attest:

11/29/78
Date

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

Received in the Office of Commission Secretary: 11-14-78, 11:06
Circulated on 48 hour vote basis: 11-14-78, 3:30
Objection filed by Commissioner Aikens 11-15-78, COB
Meeting Agenda for November 29, 1978
Objection withdrawn November 29, 1978, at meeting

79040121250

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION
78 NOV 14 11:06

In the Matter of)
)
The Vermont Republican)
Federal Elections Committee) MUR 623
)

GENERAL COUNSEL'S REPORT

On July 25, 1978, the Commission voted to find reason to believe that the Vermont Republican Federal Elections Committee, ("VRFEC"), violated 2 U.S.C. § 441b with respect to receipt of a \$5,000 loan repayment from the Vermont Republican State Committee, which accepted corporate contributions, and with respect to receipt of 16 transfers from this committee and other unregistered committees which are suspected of accepting corporate contributions.

The Treasurer of the VRFEC has replied that he has attempted to contact the unregistered party units whose transfers were accepted to determine whether or not they accepted corporate contributions which would then have been commingled in the funds used to make transfers to the VRFEC. Some of the committees he has contacted have responded that they did not keep detailed enough records of their receipts to determine conclusively whether or not corporate contributions were accepted. The other committees which made transfers to the VRFEC did not respond to the Treasurer's inquiries.

The Office of General Counsel does not believe that there is sufficient evidence of corporate contributions in the transfers to warrant requiring the VRFEC to return these

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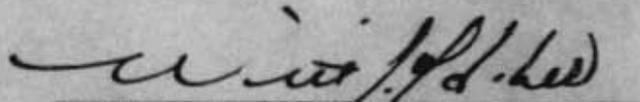
transfers.

Insofar as the \$5,000 loan repayment by the Vermont Republican State Committee is concerned, the Office of General Counsel believes that the Commission should handle this transaction in a manner similar to the determination made in the decision of FEC v AFL-CIO; that is, allow the transfer to stand, however, assess a civil penalty against the VR FEC, for violation of 2 U.S.C. § 441b, in an amount equal to ten percent of the violation.

Recommendations

Find reasonable cause to believe the VR FEC violated 2 U.S.C. § 441b and send the attached Conciliation Agreement and letter.

11/10/78
Date


William C. Oldaker
General Counsel

Attachments

Letter to Respondent and Conciliation Agreement

79040121252



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jan R. Westervelt,
Treasurer, VRFEC
Post Office Box 601
Barre, Vermont 05641

Re: MUR 623

Dear Mr. Westervelt:

On November , 1978, the Federal Election Commission found reasonable cause to believe that the Vermont Republican Federal Elections Committee violated 2 U.S.C. § 441b by accepting a loan repayment from the Vermont Republican State Committee in the amount of \$5,000 in October, 1976.

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 Commission within ten days of your receipt of this letter. If not, please contact Clare Lindsay at 202-523-4529 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

79040121253

1700 623

600-5437

RECEIVED
FEDERAL ELECTION
COMMISSION

WESTERVELT & PEAKE ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS
30 WASHINGTON ST., P.O. BOX 601
BARRE, VERMONT 05641

'78 NOV 2 AM 9:47

October 28, 1978

807568

Ms. Claire Lindsay
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Dear Ms. Lindsay:

The enclosed are copies of the responses I have received to date from the list of contributors questioned by the FEC. In addition, I know that the \$50 contribution from the Cabot Town Republican Committee was made up of four \$10 contributions and two \$5 contributions from individuals that I called as a member of the committee. We bought a ticket and gave it to a couple who wanted to attend the dinner.

As we had expected, the response to my letter has been small. I think the responses do indicate the types of sources of these funds. Please let me know if you want me to pursue this investigation further.

I am sorry for the delay in sending you this material, but I was called out of town as a witness in a lawsuit. *Then this letter got lost in a stack of other things.*

Sincerely,

Jan R. Westervelt, Treasurer
Vermont Republican Federal
Elections Committee

JRW:jma

Enclosures

79040121254



VERMONT REPUBLICAN PARTY

TAVERN MOTOR INN, P.O. BOX 70, MONTPELIER, VERMONT 05602 PHONE (802)223-3411

September 14, 1978

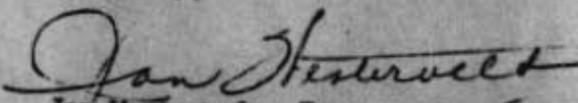
Mrs. Seeley Reynolds, Treasurer
Addison County Federation of Republican Women
Salisbury, Vermont
05769

Dear Treasurer:

On *see below the Vermont Republican Federal Elections Committee deposited \$ 100.00 which was in the form of a check from you. The Federal Elections Committee auditors would like to know where you got the money from.

We cannot accept checks from other Republican organizations. If you don't know the specific sources but know generally where it came from, that would be useful too. We need a response from everybody so even if you have no idea about anything, please let me know.

Sincerely,


Jan Westervelt, Treasurer
Republican Federal Elections Comm.

jhc

* Month/day of receipt not available in Vermont Republican Federal Elections Committee records, however, bank records indicate these were deposited during the period 10/21/77 - 12/30/77.

79040121255

Sept. 15, 1978

Jan Westermelt
Republican Federal Elections Comm.
P.O. Box 70
Montpelier, Vt. 05602

Dear Jan:

The check to which you refer was check # 165 sent by me as treasurer of the Addison County Republican Women's Club, to the state committee for 2 dinner tickets to the annual GOP State Dinner at Norwich University. The money came from membership dues. Also, the check was dated Oct. 11, 1977.

I trust this answers the question satisfactorily.

Sincerely,

Anne Reynolds
Treas. Addison Co. Rep. Women

790401212566



VERMONT REPUBLICAN PARTY

TAVERN MOTOR INN, BOX 70, MONTPELIER, VERMONT 05602 PHONE (802)223-3411

September 14, 1978

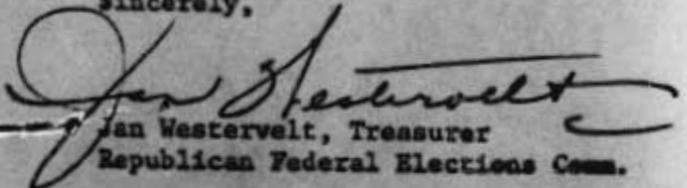
Mr. Arthur Hill, Treasurer
Brookfield Republican Town Committee
Brookfield, Vermont
05036

Dear Treasurer:

On see below the Vermont Republican Federal Elections Committee deposited \$ 250.00 which was in the form of a check from you. The Federal Elections Committee auditors would like to know where you got the money from.

We cannot accept checks from other Republican organizations. If you don't know the specific sources but know generally where it came from, that would be useful too. We need a response from everybody so even if you have no idea about anything, please let me know.

Sincerely,


Jan Westervelt, Treasurer
Republican Federal Elections Comm.

jhc

601 Box Barre

* Month/day of receipt not available in Vermont Republican Federal Elections Committee records, however, bank records indicate these were deposited during the period 10/21/77 - 12/30/77.

UT
05641

⁸
The 14.00 from Brookfield Republican Town Comm. was taken out of the Treas " " " " to make up 250.00 for 5 tickets to dinner. This was from a spring money raising project (coffee hour) during almshouse collection and probably other personal collections from previous year. All intend to keep about 50. in Treas for expenses. The ^{rest} stubs are still in my possession if you need to see them.
Mrs Arthur Hill - (Secretary)

79040121257

PROJECT Fall DinnerCOUNTY Orange TOWN BrookfieldDATE 1977 Sept⁴
Oct.GOP TRANSMITTAL SHEETPriscilla Spahn in '77

(Finance Chairman) (Finance Chairman)

(Town Finance Chairman - Please forward funds with yellow and white copies to your County Finance Chairman who will forward funds with white copy to State Office)

NAME (Please print)	MAILING ADDRESS - CHOOSE APPROPRIATE BOX			NAME OF POST OFFICE	STATE	ZIP	AMOUNT BEING TRANSMITTED
	RR # & Box #	Post Office Box #	Street #				
Estella Maloney		Randolph RD	R. F.D # 2	Randolph	Vt	05060	3 00
Helen Wakefield	R. F. D # 2	05060		" "	" "	" "	50
Henry - Doris Baker	" "			" "	" "	" "	5
Kloyd Baker	" "			" "	" "	" "	5
Dean Baker	" "			" "	" "	" "	10 -
Joyce Buller	X X	428		Brookfield	"	05036	5
John Hayford	" "			" "	" "	" "	5
Harold Gage	" "			" "	" "	" "	5
Mr/Ms Arnold Spahn			Bridge Hill	" "	" "	" "	10
Albert Martin	R.F.D # 1			" "	" "	" "	10
Mr/Ms Moses McKee	" "			" "	" "	" "	10
Chester Meyer	" "			" "	" "	" "	2 -
Richard Ferris	" "			" "	" "	" "	2 00
Charles Slack	" "			" "	" "	" "	15 -
Leonard Camp	" "			" "	" "	" "	5 00
Thelma Waldo	" "			" "	" "	" "	5 -
Mr/Ms Donald Conger	" "			" "	" "	" "	10 -
Donald Davis	Star Route			E. Randolph	"	05041	1 00

Pink - Town Finance Chairman
 Yellow - County Finance Chairman
 White - State Republican Office

P.O. Box 70, Montpelier, Vt. 05602

PAGE NO. I OF THIS REPORT

TOTAL OF THIS PAGE

163 00

TOTAL PAGES OF THIS REPORT 2

TOTAL OF THIS REPORT

(Complete the above line only on the last page of this report)

8 5 2 1 2 1 0 7 0 8 2

own Finance Chairman - Please forward funds with yellow and white copies to your County Finance Chairman who will forward funds with white copy to State Office)

(Please print)	MAILING ADDRESS - CHOOSE APPROPRIATE BOX			NAME OF POST OFFICE	STATE	ZIP	AMOUNT BEING TRANSMITTED	
	RR # & Box #	Post Office Box #	Street #					
Dick Anthony	RD #1			Brookfield	Vt	05036	2	-
Jan Wheatley			Star Rte	E. Randolph	"	05041	2	-
Jayne Wheatley			" "	" "	"	" "	5	
Barbara Davis			" "	" "	"	" "	2	00
Harold Lamson			" "	" "	"	" "	5	-
Walter Wheatley			" "	" "	"	" "	5	-
David Lamson			" "	" "	"	" "	5	-
Erin Carpenter			" "	" "	"	" "	5	-
Rice Martin	RD #1		Brookfield	Brookfield	"	05036	1	-
Paul Fox	" "			" "	"	" "	10	-
Janet Wheatley	" "			" "	"	" "	5	-
My Ryan	" "			" "	"	" "	1	00
John A Sprague	" "			" "	"	" "	5	00
Chad Wright	" "			" "	"	" "	2	-
Bart Platt	" "			" "	"	" "	5	-
John R Sprague	" "			" "	"	" "	3	00
Arthur R. Hill	" "			" "	"	" "	5	10
Sp. Town Com. Ins	" "			" "	"	" "	14	00

Pink - Town Finance Chairman
Yellow - County Finance Chairman
White - State Republican Office
P.O. Box 70, Montpelier, Vt. 05602

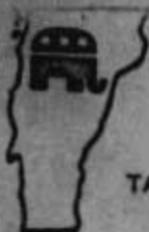
PAGE NO. _____ OF THIS REPORT

TOTAL OF THIS PAGE 87.00

TOTAL PAGES OF THIS REPORT _____

TOTAL OF THIS REPORT 250.00

(Complete the above line only on the last page of this report)



VERMONT REPUBLICAN PARTY

TAVERN MOTOR INN, BOX 70, MONTPELIER, VERMONT 05602 PHONE (802)223-3411

September 14, 1978

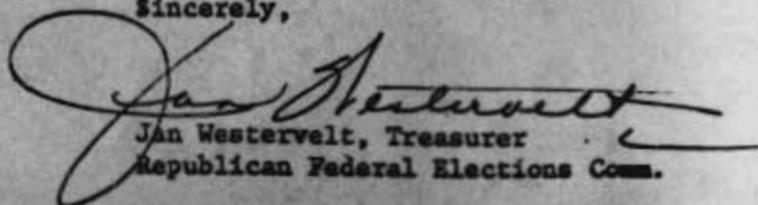
Mrs. Roland Lawrence, Treasurer
Orleans County Republican Women
Star Route
Albany, Vermont 05820

Dear Treasurer:

On See below * the Vermont Republican Federal Elections Committee deposited \$ 50.00 which was in the form of a check from you. The Federal Elections Committee auditors would like to know where you got the money from.

We cannot accept checks from other Republican organizations. If you don't know the specific sources but know generally where it came from, that would be useful too. We need a response from everybody so even if you have no idea about anything, please let me know.

Sincerely,


Jan Westervelt, Treasurer
Republican Federal Elections Comm.

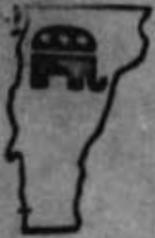
jhc

* Month/day of receipt not available in Vermont Republican Federal Election records, however, bank records indicate these were deposited during the period 10/21/-12/30/77.

Dear Mrs Westervelt:

The \$50.00 check was written Sept 29, 1977 to "Vt. Republican Party" for a dinner ticket last fall. The money came from the Orleans County Republican Women's Treasury. Sincerely,
The check should have been made out to the State Dinner Committee. Ruth Lawrence

79040121260



VERMONT REPUBLICAN PARTY

TAVERN MOTOR INN, P.O. BOX 70, MONTPELIER, VERMONT 05602 PHONE (802)223-3411

September 14, 1978

Mrs. Lucille Duranleau, Treasurer
Barre Town GOP Committee
RR 4, Merchant St. Ext.
Barre, Vt. 05641

Dear Treasurer:

On *see below the Vermont Republican Federal Elections Committee deposited \$ 50.00 which was in the form of a check from you. The Federal Elections Committee auditors would like to know where you got the money from.

We cannot accept checks from other Republican organizations. If you don't know the specific sources but know generally where it came from, that would be useful too. We need a response from everybody so even if you have no idea about anything, please let me know.

Sincerely,

Jan Westervelt
Jan Westervelt, Treasurer
Republican Federal Elections Comm.

jhc

* Month/day of receipt not available in Vermont Republican Federal Elections Committee records, however, bank records indicate these were deposited during the period 10/21/77 - 12/30/77.

Dear Jan!!!

July 18, 78 Vermont Almanac In memory of Marilyn Duranleau \$50.00
Sept. 28, 77 Republican Almanac 1 ticket and bought \$50.00

*These are the only 50.00 checks we sent you!!!
for the Barre Town GOP Committee!!!*

Lucille Duranleau
Barre, Vermont

79040121261

WESTERVELT & PEAKE ASSOCIATES, INC.

CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 601

BARRE, VERMONT 05641

790401216

RECEIVED
FEDERAL ELECTION
COMMISSION



NOV 2 AM 9:47

Ms. Claire Lindsay
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO CHARLES STEELE
FROM: MARJORIE W. EMMONS *MW E*
DATE: OCTOBER 10, 1978
SUBJECT: MUR 623 - Interim Report dated 10-5-78
Received in OCS: 10-6-78,
11:45

The above-named document was circulated on a 24
hour no-objection basis at 5:15, October 6, 1978.

The Commission Secretary's Office has received
no objections to the Interim Report as of 5:15 this date.

79040121263

October 6, 1978

MEMORANDUM TO: Marge Brasons
FROM: Elissa T. Garr
SUBJECT: MUR 623

Please have the attached Interim Report on MUR 623
distributed to the Commission.

Thank you.

79040121264

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

78 OCT 6 All: 45

In the Matter of)
)
Vermont Republican Federal)
Elections Committee)

MUR 623

Interim Report

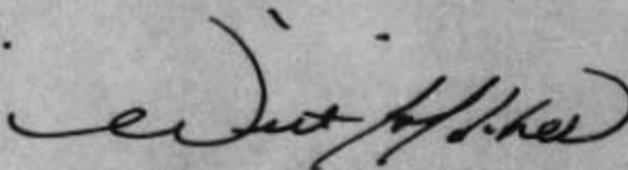
On July 25, 1978, the Commission found reason to believe that the Vermont Republican Federal Elections Committee, ("VR FEC"), violated 2 U.S.C. § 441b with respect to a loan repayment from the Vermont Republican State Committee and 16 transfers accepted from unregistered committees which were suspected of accepting corporate contributions.

The Treasurer of the VR FEC has been attempting to obtain information from the unregistered committees which transferred monies to the VR FEC, however, responses from these groups have been slow to return. So far two groups have responded, but the records they maintained were not detailed enough to conclusively identify the nature of the funds they accepted and from which they contributed to the VR FEC.

The Treasurer has agreed to forward information on these transfers as he receives it from the committees which made the transfers. The Office of General Counsel believes that further action will be appropriate in the near future when additional information has been received.

10/5/78

Date



William C. Oldaker
General Counsel

79040121265



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
DATE: SEPTEMBER 8, 1978
SUBJECT: MUR 623 - Interim Status Report dated
9-6-78
Received in Office of Commission
Secretary 9-7-78, 11:18

The above-named document was circulated on a 24
hour no-objection basis at 4:00 p.m., September 7, 1978.

The Commission Secretary's Office has received
no objections to the Interim Status Report as of 4:00 p.m.
this date.

79040121266

September 7, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 623

Please have the attached Interim Report on MUR 623
distributed to the Commission

Thank you.

79040121267

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

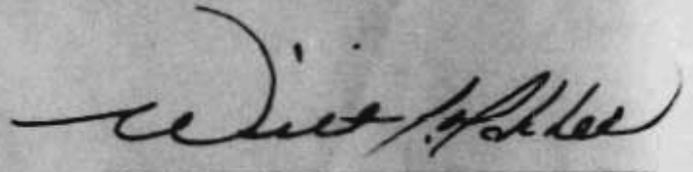
The Vermont Republican Federal)
Elections Committee) MUR 623
)

INTERIM REPORT

On July 25, 1978 the Commission found reason to believe that the Vermont Republican Federal Elections Committee, ("VRFEC"), violated 2 U.S.C. §441b by accepting a loan repayment from the Vermont Republican State Committee and 16 transfers from this and other committees which are suspected of having accepted corporate contributions.

The Office of General Counsel has received both a letter and phone call from the Treasurer of the respondent committee who is now in the process of corresponding with the volunteer local committees to find out if any of their receipts were from corporations and, thereby, whether transfers from these committees to the VRFEC did contain prohibited funds.

9/6/78
Date



William C. Oldaker
General Counsel

Packet contains
1. Interim Report

79040121268

FS 222

600*
4446

RECEIVED
FEDERAL ELECTION
COMMISSION

'78 AUG 10 AM 11:27

August 8, 1978

Ms. Clare Lindsay
Federal Elections Commission
1325 K Street, N. W.
Washington, D. C. 20463

Re: MUR 623

Dear Ms. Lindsay:

I have been on vacation, otherwise I would have responded to Mr. Oldaker's letter sooner.

From past experience and in the present instance as a member of the Cabot Town Republican Committee, I am sure that the receipts itemized on Exhibit A result from local treasurers' putting individual contributions in their committees' bank accounts and then writing one check for the total to us. I expect that I could get a letter from the listed committees stating how they came to send us a check. Since they, as we, are volunteer organizations, I am uncertain if they would be able to itemize their sources of the funds. I would be willing to take the time to communicate with these people if it would help clear us from whatever heinous crime we may have committed against the domestic tranquility of our nation.

Please let me know what your pleasure is and how we proceed from here.

Sincerely,

Jan R. Westervelt
Treasurer, VRFEC
Post Office Box 601
Barre, Vermont 05641

ja

cc: Robert Rachlin

79040121269

7904012270

FEDERAL ELECTION
COMMISSION

'78 AUG 10 AM 11:27

Ms. Clare Lindsay
Federal Elections Commission
1325 K Street, N. W.
Washington, D. C. 20463

Viking missions to Mars



P M



FEDERAL ELECTION COMMISSION

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

July 27, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Jan R. Westervelt, Treasurer
Vermont Republican Federal Elections Committee
Vermont Republican State Committee
Washington Street
Barre, Vermont

Re: MUR 623

Dear Mr. Westervelt:

This letter is to notify you that on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that a violation of 2 U.S.C. § 441b has occurred in that the Vermont Republican Federal Elections Committee ("VR FEC") accepted a loan repayment of \$5000 from the Vermont Republican State Committee ("VRSC") and 16 transfers from other committees totaling \$1,574 (see attached list) which funds are suspected to contain corporate contributions.

Under 2 U.S.C. § 441b, it is unlawful for any political committee to accept or receive contributions from corporations or labor unions. For purposes of this section, the definition of contributions includes "any direct or indirect payment" such as, in this case, a loan repayment. Also, 2 U.S.C. § 431(e)(3) which defines contribution includes "funds received by a political committee which are transferred to such committee from another political committee of other source."

Further 11 C.F.R. § 102.6(b) prohibits committees like the VR FEC from accepting transfers from committees such as the VRSC and the local political organizations on the attached list which do not maintain separate federal accounts or accept contributions into their single account which are not permissible under the Federal Election Campaign Act.

Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action be taken. As part of this process, please submit within 10 days of receipt of this letter, any legal or factual materials which you deem relevant to the Commission's investigation of this matter.

This letter of notification shall remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission, in writing, that you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsay, (telephone number 202-523-4040 or toll free number 800-424-9530).

Sincerely,

William C. Oldaker
General Counsel

Enclosure

CL 623

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:

Mr. Jan R. Westercalt

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>94343</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

Jan Westercalt

4. DATE OF DELIVERY: *AUG 2 1978* POSTMARK

5. ADDRESS (Complete only)

6. UNABLE TO DELIVER BECAUSE: *BARRE VT* CLERK'S NOTICE

PSN 1-78-0-231-317

EXHIBIT A

<u>TRANSFERRING ENTITY</u>	<u>DATE</u>	<u>AMOUNT</u>
Orleans County Republican Women	10/12/76	\$ 50.00
Cabot Town Republican Committee	10/76	50.00
Vermont Federation of Republican Women	10/1/76	50.00
	10/76	150.00
Rutland County GOP Committee	1977 *	107.00
	1977 *	38.00
Addison County Republican Women's Club	1977 *	100.00
Caledonia County Republican Women's Club	1977 *	100.00
Vermont Republican State Committee (on behalf of Lamoille County)	1977 *	200.00
Chittenden Women's Republican Club	1977 *	50.00
Brookfield Republican Town Committee	1977 *	250.00
Rutland County Republican Committee	1977 *	229.00
Washington County GOP Committee	1977 *	50.00
Vermont Federation of GOP Women	1977 *	50.00
Barre Town GOP Committee	1977 *	50.00
Orleans County Women's Republican Committee	1977 *	50.00
Total		<u>\$1,574.00</u>

* Month/day of receipt not available in VRPEC records, however, bank records indicate these were deposited during the period 10/21/77-12/30/77.

79040121273

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MUR 623
Vermont Republican State)	
Committee)	
(Vermont Republican Federal)	
Elections Committee))	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on July 25, 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 reason to believe that the Vermont Republican Federal Elections Committee violated 2 U.S.C. §441b with respect to a loan repayment from the Vermont Republican State Committee and 16 transfers from this and other committees, which funds contained corporate contributions.
2. Send the letters attached to the First General Counsel's Report dated July 21, 1978.

Commissioner Thomson was not present at the time of the vote.

Date: 7/25/78 Marjorie W. Emmons
 Marjorie W. Emmons
 Secretary to the Commission

Received in Office of Commission Secretary: 7-21-78, 11:24
 Circulated on 48 hour vote basis: 7-21-78, 2:30

79040121274

July 21, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 623

Please have the attached 7 day report on MUR 623
distributed to the Commission on a 48 hour tally basis.

Thank you.

79040121275

FEDERAL ELECTION COMMISSION

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL JUL 21 1978
BY OGC TO COMMISSION _____

MUR NO. 623
STAFF MEMBER(S) _____

Lindsay

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENT'S NAME: Vermont Republican State Committee
(Vermont Republican Federal Elections Committee)

RELEVANT STATUTE: 2 U.S.C. §§ 441b, 431(e)(3)
11 C.F.R. § 102.6(b)(2)

INTERNAL REPORTS CHECKED: Audit Findings (see attached Audit referral)

FEDERAL AGENCIES CHECKED: None

GENERATION OF MATTER

This matter is referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Vermont Republican Federal Elections Committee ("VRFEC").

SUMMARY OF ALLEGATIONS

That VRFEC violated 2 U.S.C. § 441b by accepting a loan repayment of \$5000 from the Vermont Republican State Committee ("VRSC"), a committee which accepts corporate contributions. That the VRFEC further violated 2 U.S.C. § 441b by accepting transfers totaling \$1,574 from the accounts of county and local political organizations which contained corporate monies.

PRELIMINARY LEGAL ANALYSIS

During the course of auditing the Vermont Republican Federal Elections Committee (VRFEC), the auditors discovered that on March 9, 1976 the VRFEC which is a registered, reporting committee contributing to Federal candidates, loaned \$5000 to the Vermont Republican State Committee (VRSC). The VRSC, which is an unregistered entity supporting state and local candidates, is, under Vermont law, entitled to accept corporate contributions, and does so. The VRSC has one checking account from which it repaid the \$5000 loan to the VRFEC on October 12, 1976.

79040121276

2 U.S.C. § 441b provides in part that no political committee may accept corporate or labor union contributions. For purposes of this section, the definition of contributions and expenditures includes "any direct or indirect payment". In this case a loan repayment containing funds consisting in part of corporate contributions was accepted by the VRFEC in violation of 2 U.S.C. § 441b.

Similarly the VRFEC accepted 16 transfers-in from unregistered county and local political organizations in the amount of \$1,574. (See attached listing). These county and local political organizations were known to accept corporate contributions. Under 2 U.S.C. § 431(e)(3) a contribution includes, "funds received by a political committee which are transferred to such committee from another political committee or other source." The VRFEC, therefore, accepted those transfers in violation of 2 U.S.C. § 441b.

Further, 11 C.F.R. § 102.6(b) prohibits committees such as the VRFEC from accepting transfers from committees like the VRSC and the local political organizations on the attached list which do not have separate Federal accounts or accept contributions into their single account which are not permissible under the Act.

RECOMMENDATIONS

1. Find reason to believe that the Vermont Republican Federal Elections Committee violated 2 U.S.C. § 441b with respect to a loan repayment from the Vermont Republican State Committee and 16 transfers from this and other committees, which funds contained corporate contributions.
2. Send attached letters.

79040121277



FEDERAL ELECTION COMMISSION

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

MEMORANDUM

June 23, 1978

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER
STAFF DIRECTOR

FROM: *RJC* BOB COSTA/RICK HALTER

SUBJECT: AUDIT OF THE VERMONT REPUBLICAN
FEDERAL ELECTIONS COMMITTEE-POSSIBLE
VIOLATION OF 11 CFR 102.6

to VRSC.
During the audit of the Vermont Republican Federal Elections Committee (VRFEC) the following matters were noted which are being referred to your office for legal analysis and opinion:

The audit of VRFEC covered the period January 1, 1976 through March 31, 1978, the final coverage date of the VRFEC's latest report filed at the time of our audit.

1. Loan Repayment Containing Prohibited Funds

Section 102.6(b)(2) of the Commission's Regulations (11 CFR 102.6(b)(2)) provides that committees supporting Federal candidates may not receive transfers from an account or committee not established in accordance with Sections 102.6(a)(1)(i) and (ii).

As a result of our review of the VRFEC reports and records, it was determined that on March 9, 1976, VRFEC loaned \$5,000 to the Vermont Republican State Committee (VRSC), an unregistered entity which supports state and local candidates. This loan bore a 5% rate of interest per annum and was payable upon demand. On October 12, 1976 VRSC repaid the loan principal in full.



79040121278

The Treasurer of VRFEC informed us that VRFEC was a sub-committee of VRSC set up to conduct activities on the Federal level. The VRSC itself does not support Federal candidates. VRSC accepts corporate contributions and maintains a single checking account. There is no Vermont statute which prohibits corporate contributions for state election purposes.

Based on this information and the policy established by the Commission in the decision regarding the AFL-CIO, it is our contention that the VRFEC is in violation of Section 102.6(b)(2) of the Commission's Regulations for accepting and retaining the loan repayment, vis-a-vis "a transfer of funds", from a committee or account not established in accordance with Sections 102.6(a)(1)(i) and (ii) of the Commission's Regulations. Therefore, we believe that since (1) VRFEC was prohibited from accepting funds from a committee or account not established in accordance with 102.6(a)(1)(i) and (ii), and (2) apparently VRSC accepted corporate monies into the account from which the loan repayment was paid, the VRFEC should be required to refund the loan repayment (\$5,000) to VRSC.

2. Transfers from Unregistered Political Organizations

As a result of our review of VRFEC contribution records for their 1976 and 1977 fundraising dinners, it was determined that VRFEC received 16 transfers-in from unregistered county and local political organizations, in the amount of \$1,574.00 for purchases of tickets to these events. (Exhibit A)

The Treasurer of VRFEC informed us that these county and local political organizations sold almanacs in order to raise funds for themselves and the VRSC. The Treasurer also indicated that corporations generally purchase these almanacs each year.

Based on this information it is our contention that VRFEC is also in violation of 102.6(b)(2) for accepting and retaining the proceeds from the sale of tickets to their fundraising dinner, vis-a-vis "transfers of funds" from county and local political organizations not established in accordance with 102.6(a)(1)(i) and (ii). Therefore, we believe that since (1) VRFEC was prohibited from accepting transfers from these political organizations not established in accordance with 102.6(a)(1)(i) and (ii), and (2) apparently these county and local political organizations accepted corporate monies into their accounts from which these transfers were made, the VRFEC should be required to refund the value (\$1,574.00) of the transfers received from the respective county and local political organizations.

79040121279

EXHIBIT A

<u>TRANSFERRING ENTITY</u>	<u>DATE</u>	<u>AMOUNT</u>
Orleans County Republican Women	10/12/76	\$ 50.00
Cabot Town Republican Committee	10/76	50.00
Vermont Federation of Republican Women	10/1/76	50.00
	10/76	150.00
Rutland County GOP Committee	1977 *	107.00
	1977 *	38.00
Addison County Republican Women's Club	1977 *	100.00
Caledonia County Republican Women's Club	1977 *	100.00
Vermont Republican State Committee (on behalf of Lamoille County)	1977 *	200.00
Chittenden Women's Republican Club	1977 *	50.00
Brookfield Republican Town Committee	1977 *	250.00
Rutland County Republican Committee	1977 *	229.00
Washington County GOP Committee	1977 *	50.00
Vermont Federation of GOP Women	1977 *	50.00
Barre Town GOP Committee	1977 *	50.00
Orleans County Women's Republican Committee	1977 *	50.00
Total		\$1,574.00

* Month/day of receipt not available in VRFEC records, however, bank records indicate these were deposited during the period 10/21/77-12/30/77.

79040121231



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Jan R. Westereult, Treasurer
Vermont Republican Federal Elections Committee
Vermont Republican State Committee
Washington Street
Barre, Vermont

Re: MUR 623

Dear Mr. Westereult:

This letter is to notify you that on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that a violation of 2 U.S.C. § 441b has occurred in that the Vermont Republican Federal Elections Committee ("VR FEC") accepted a loan repayment of \$5000 from the Vermont Republican State Committee ("VRSC") and 16 transfers from other committees totaling \$1,574 (see attached list) which funds are suspected to contain corporate contributions.

Under 2 U.S.C. § 441b, it is unlawful for any political committee to accept or receive contributions from corporations or labor unions. For purposes of this section, the definition of contributions includes "any direct or indirect payment" such as, in this case, a loan repayment. Also, 2 U.S.C. § 431(e)(3) which defines contribution includes "funds received by a political committee which are transferred to such committee from another political committee of other source."

Further 11 C.F.R. § 102.6(b) prohibits committees like the VR FEC from accepting transfers from committees such as the VRSC and the local political organizations on the attached list which do not maintain separate federal accounts or accept contributions into their single account which are not permissible under the Federal Election Campaign Act.

79040121282

Upon making a determination that there is reason to believe that a violation has occurred. The Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action be taken. As part of this process, please submit within 10 days of receipt of this letter, any legal or factual materials which you deem relevant to the Commission's investigation of this matter.

This letter of notification shall remain confidential in accordance with 2 U.S.C. § 437g(a)(3) unless you state to the Commission, in writing, that you wish the investigation to be made public. The staff member assigned to this matter is Clare Lindsay, (telephone number 202-523-4040 or toll free number 800-424-9530).

Sincerely,

William C. Oldaker
General Counsel

Enclosure

79040121283

EXHIBIT A

<u>TRANSFERRING ENTITY</u>	<u>DATE</u>	<u>AMOUNT</u>
Orleans County Republican Women	10/12/76	\$ 50.00
Cabot Town Republican Committee	10/76	50.00
Vermont Federation of Republican Women	10/1/76	50.00
	10/76	150.00
Rutland County GOP Committee	1977 *	107.00
	1977 *	38.00
Addison County Republican Women's Club	1977 *	100.00
Caledonia County Republican Women's Club	1977 *	100.00
Vermont Republican State Committee (on behalf of Lamoille County)	1977 *	200.00
Chittenden Women's Republican Club	1977 *	50.00
Brookfield Republican Town Committee	1977 *	250.00
Rutland County Republican Committee	1977 *	229.00
Washington County GOP Committee	1977 *	50.00
Vermont Federation of GOP Women	1977 *	50.00
Barre Town GOP Committee	1977 *	50.00
Orleans County Women's Republican Committee	1977 *	50.00
		<hr/>
Total		\$1,574.00

* Month/day of receipt not available in VRFEC records, however, bank records indicate these were deposited during the period 10/21/77-12/30/77.

79040121284



FEDERAL ELECTION COMMISSION

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

MEMORANDUM

June 23, 1978

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER
STAFF DIRECTOR *OBP*

FROM: *RPC* BOB COSTA/RICK HALTER

SUBJECT: AUDIT OF THE VERMONT REPUBLICAN
FEDERAL ELECTIONS COMMITTEE-POSSIBLE
VIOLATION OF 11 CFR 102.6

During the audit of the Vermont Republican Federal Elections Committee (VRFEC) the following matters were noted which are being referred to your office for legal analysis and opinion.

The audit of VRFEC covered the period January 1, 1976 through March 31, 1978, the final coverage date of the VRFEC's latest report filed at the time of our audit.

1. Loan Repayment Containing Prohibited Funds

Section 102.6(b)(2) of the Commission's Regulations (11 CFR 102.6(b)(2)) provides that committees supporting Federal candidates may not receive transfers from an account or committee not established in accordance with Sections 102.6(a)(1)(i) and (ii).

As a result of our review of the VRFEC reports and records, it was determined that on March 9, 1976, VRFEC loaned \$5,000 to the Vermont Republican State Committee (VRSC), an un-registered entity which supports state and local candidates. This loan bore a 5% rate of interest per annum and was payable upon demand. On October 12, 1976 VRSC repaid the loan principal in full.

79040121285



The Treasurer of VRFEC informed us that VRFEC was a sub-committee of VRSC set up to conduct activities on the Federal level. The VRSC itself does not support Federal candidates. VRSC accepts corporate contributions and maintains a single checking account. There is no Vermont statute which prohibits corporate contributions for state election purposes.

Based on this information and the policy established by the Commission in the decision regarding the AFL-CIO, it is our contention that the VRFEC is in violation of Section 102.6(b)(2) of the Commission's Regulations for accepting and retaining the loan repayment, vis-a-vis "a transfer of funds", from a committee or account not established in accordance with Sections 102.6(a)(1)(i) and (ii) of the Commission's Regulations. Therefore, we believe that since (1) VRFEC was prohibited from accepting funds from a committee or account not established in accordance with 102.6(a)(1)(i) and (ii), and (2) apparently VRSC accepted corporate monies into the account from which the loan repayment was paid, the VRFEC should be required to refund the loan repayment (\$5,000) to VRSC.

2. Transfers from Unregistered Political Organizations

As a result of our review of VRFEC contribution records for their 1976 and 1977 fundraising dinners, it was determined that VRFEC received 16 transfers-in from unregistered county and local political organizations, in the amount of \$1,574.00 for purchases of tickets to these events. (Exhibit A)

The Treasurer of VRFEC informed us that these county and local political organizations sold almanacs in order to raise funds for themselves and the VRSC. The Treasurer also indicated that corporations generally purchase these almanacs each year.

Based on this information it is our contention that VRFEC is also in violation of 102.6(b)(2) for accepting and retaining the proceeds from the sale of tickets to their fundraising dinner, vis-a-vis "transfers of funds" from county and local political organizations not established in accordance with 102.6(a)(1)(i) and (ii). Therefore, we believe that since (1) VRFEC was prohibited from accepting transfers from these political organizations not established in accordance with 102.6(a)(1)(i) and (ii), and (2) apparently these county and local political organizations accepted corporate monies into their accounts from which these transfers were made, the VRFEC should be required to refund the value (\$1,574.00) of the transfers received from the respective county and local political organizations.

79040121286

If you have any questions relating to the matters discussed above, please contact Mr. Rick Halter or Ms. Paula King at extension 3-4155.

Attachment as stated

79040121287

EXHIBIT A

<u>TRANSFERRING ENTITY</u>	<u>DATE</u>	<u>AMOUNT</u>
Orleans County Republican Women	10/12/76	\$ 50.00
Cabot Town Republican Committee	10/76	50.00
Vermont Federation of Republican Women	10/1/76	50.00
	10/76	150.00
Rutland County GOP Committee	1977 *	107.00
	1977 *	38.00
Addison County Republican Women's Club	1977 *	100.00
Caledonia County Republican Women's Club	1977 *	100.00
Vermont Republican State Committee (on behalf of Lamoille County)	1977 *	200.00
Chittenden Women's Republican Club	1977 *	50.00
Brookfield Republican Town Committee	1977 *	250.00
Rutland County Republican Committee	1977 *	229.00
Washington County GOP Committee	1977 *	50.00
Vermont Federation of GOP Women	1977 *	50.00
Barre Town GOP Committee	1977 *	50.00
Orleans County Women's Republican Committee	1977 *	50.00
Total		<u>\$1,574.00</u>

* Month/day of receipt not available in VRFEC records, however, bank records indicate these were deposited during the period 10/21/77-12/30/77.

79040121288



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM

June 23, 1978

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER
STAFF DIRECTOR

FROM: *RJC* BOB COSTA/RICK HALTER *RJ*

SUBJECT: AUDIT OF THE VERMONT REPUBLICAN
FEDERAL ELECTIONS COMMITTEE-POSSIBLE
VIOLATION OF 11 CFR 102.6

79040121289

During the audit of the Vermont Republican Federal Elections Committee (VR FEC) the following matters were noted which are being referred to your office for legal analysis and opinion.

The audit of VR FEC covered the period January 1, 1976 through March 31, 1978, the final coverage date of the VR FEC's latest report filed at the time of our audit.

1. Loan Repayment Containing Prohibited Funds

Section 102.6(b)(2) of the Commission's Regulations (11 CFR 102.6(b)(2)) provides that committees supporting Federal candidates may not receive transfers from an account or committee not established in accordance with Sections 102.6(a)(1)(i) and (ii).

As a result of our review of the VR FEC reports and records, it was determined that on March 9, 1976, VR FEC loaned \$5,000 to the Vermont Republican State Committee (VRSC), an unregistered entity which supports state and local candidates. This loan bore a 5% rate of interest per annum and was payable upon demand. On October 12, 1976 VRSC repaid the loan principal in full.



The Treasurer of VRFEC informed us that VRFEC was a sub-committee of VRSC set up to conduct activities on the Federal level. The VRSC itself does not support Federal candidates. VRSC accepts corporate contributions and maintains a single checking account. There is no Vermont statute which prohibits corporate contributions for state election purposes.

Based on this information and the policy established by the Commission in the decision regarding the AFL-CIO, it is our contention that the VRFEC is in violation of Section 102.6(b)(2) of the Commission's Regulations for accepting and retaining the loan repayment, vis-a-vis "a transfer of funds", from a committee or account not established in accordance with Sections 102.6(a)(1)(i) and (ii) of the Commission's Regulations. Therefore, we believe that since (1) VRFEC was prohibited from accepting funds from a committee or account not established in accordance with 102.6(a)(1)(i) and (ii), and (2) apparently VRSC accepted corporate monies into the account from which the loan repayment was paid, the VRFEC should be required to refund the loan repayment (\$5,000) to VRSC.

2. Transfers from Unregistered Political Organizations

As a result of our review of VRFEC contribution records for their 1976 and 1977 fundraising dinners, it was determined that VRFEC received 16 transfers-in from unregistered county and local political organizations, in the amount of \$1,574.00 for purchases of tickets to these events. (Exhibit A)

The Treasurer of VRFEC informed us that these county and local political organizations sold almanacs in order to raise funds for themselves and the VRSC. The Treasurer also indicated that corporations generally purchase these almanacs each year.

Based on this information it is our contention that VRFEC is also in violation of 102.6(b)(2) for accepting and retaining the proceeds from the sale of tickets to their fundraising dinner, vis-a-vis "transfers of funds" from county and local political organizations not established in accordance with 102.6(a)(1)(i) and (ii). Therefore, we believe that since (1) VRFEC was prohibited from accepting transfers from these political organizations not established in accordance with 102.6(a)(1)(i) and (ii), and (2) apparently these county and local political organizations accepted corporate monies into their accounts from which these transfers were made, the VRFEC should be required to refund the value (\$1,574.00) of the transfers received from the respective county and local political organizations.

79040121290

If you have any questions relating to the matters discussed above, please contact Mr. Rick Halter or Ms. Paula King at extension 3-4155.

Attachment as stated

79040121291

EXHIBIT A

<u>TRANSFERRING ENTITY</u>	<u>DATE</u>	<u>AMOUNT</u>
Orleans County Republican Women	10/12/76	\$ 50.00
Cabot Town Republican Committee	10/76	50.00
Vermont Federation of Republican Women	10/1/76 10/76	50.00 150.00
Rutland County GOP Committee	1977 * 1977 *	107.00 38.00
Addison County Republican Women's Club	1977 *	100.00
Caledonia County Republican Women's Club	1977 *	100.00
Vermont Republican State Committee (on behalf of Lamoille County)	1977 *	200.00
Chittenden Women's Republican Club	1977 *	50.00
Brookfield Republican Town Committee	1977 *	250.00
Rutland County Republican Committee	1977 *	229.00
Washington County GOP Committee	1977 *	50.00
Vermont Federation of GOP Women	1977 *	50.00
Barre Town GOP Committee	1977 *	50.00
Orleans County Women's Republican Committee	1977 *	50.00
Total		<hr/> \$1,574.00

* Month/day of receipt not available in VRFEC records, however, bank records indicate these were deposited during the period 10/21/77-12/30/77.

79040121292



FEDERAL ELECTION COMMISSION

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

AUDIT TEAM

MEMORANDUM

TO: William C. Oldaker
FROM: Ken A. Gross
DATE: 6/28/78
RE: Assignment of new MUR

Vermont Republican Federal Elections Committee

The attached matter transmitted from audit
should be assigned a MUR # and handled accordingly.

Assign to

Judray Berland

79040121293



FEDERAL ELECTION COMMISSION

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

MEMORANDUM

June 23, 1978

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER
STAFF DIRECTOR *OBP*

FROM: *RJC* BOB COSTA/RICK HALTER

SUBJECT: AUDIT OF THE VERMONT REPUBLICAN
FEDERAL ELECTIONS COMMITTEE-POSSIBLE
VIOLATION OF 11 CFR 102.6 repayment (\$5,000)

During the audit of the Vermont Republican Federal Elections Committee (VR FEC) the following matters were noted which are being referred to your office for legal analysis and opinion.

The audit of VR FEC covered the period January 1, 1976 through March 31, 1978, the final coverage date of the VR FEC's latest report filed at the time of our audit.

1. Loan Repayment Containing Prohibited Funds

Section 102.6(b)(2) of the Commission's Regulations (11 CFR 102.6(b)(2)) provides that committees supporting Federal candidates may not receive transfers from an account or committee not established in accordance with Sections 102.6(a)(1)(i) and (ii).

As a result of our review of the VR FEC reports and records, it was determined that on March 9, 1976, VR FEC loaned \$5,000 to the Vermont Republican State Committee (VRSC), an un-registered entity which supports state and local candidates. This loan bore a 5% rate of interest per annum and was payable upon demand. On October 12, 1976 VRSC repaid the loan principal in full.

Organizations accepted corporate monies into their accounts from the state and local candidates received from the respective county and local political organizations.



79040121291

The Treasurer of VRFEC informed us that VRFEC was a sub-committee of VRSC set up to conduct activities on the Federal level. The VRSC itself does not support Federal candidates. VRSC accepts corporate contributions and maintains a single checking account. There is no Vermont statute which prohibits corporate contributions for state election purposes.

Based on this information and the policy established by the Commission in the decision regarding the AFL-CIO, it is our contention that the VRFEC is in violation of Section 102.6(b)(2) of the Commission's Regulations for accepting and retaining the loan repayment, vis-a-vis "a transfer of funds", from a committee or account not established in accordance with Sections 102.6(a)(1)(i) and (ii) of the Commission's Regulations. Therefore, we believe that since (1) VRFEC was prohibited from accepting funds from a committee or account not established in accordance with 102.6(a)(1)(i) and (ii), and (2) apparently VRSC accepted corporate monies into the account from which the loan repayment was paid, the VRFEC should be required to refund the loan repayment (\$5,000) to VRSC.

2. Transfers from Unregistered Political Organizations

As a result of our review of VRFEC contribution records for their 1976 and 1977 fundraising dinners, it was determined that VRFEC received 16 transfers-in from unregistered county and local political organizations, in the amount of \$1,574.00 for purchases of tickets to these events. (Exhibit A)

The Treasurer of VRFEC informed us that these county and local political organizations sold almanacs in order to raise funds for themselves and the VRSC. The Treasurer also indicated that corporations generally purchase these almanacs each year.

Based on this information it is our contention that VRFEC is also in violation of 102.6(b)(2) for accepting and retaining the proceeds from the sale of tickets to their fundraising dinner, vis-a-vis "transfers of funds" from county and local political organizations not established in accordance with 102.6(a)(1)(i) and (ii). Therefore, we believe that since (1) VRFEC was prohibited from accepting transfers from these political organizations not established in accordance with 102.6(a)(1)(i) and (ii), and (2) apparently these county and local political organizations accepted corporate monies into their accounts from which these transfers were made, the VRFEC should be required to refund the value (\$1,574.00) of the transfers received from the respective county and local political organizations.

79040121295

If you have any questions relating to the matters discussed above, please contact Mr. Rick Halter or Ms. Paula King at extension 3-4155.

Attachment as stated

...	197	
...		
...	197	104.00
...		

Total

61,571.00

Month/day of receipt not available in WEPET records, however, had received in 1974 (then was 2-14-74) ...

79040121295

EXHIBIT A

<u>TRANSFERRING ENTITY</u>	<u>DATE</u>	<u>AMOUNT</u>
Orleans County Republican Women	10/12/76	\$ 50.00
Cabot Town Republican Committee	10/76	50.00
Vermont Federation of Republican Women	10/1/76	50.00
	10/76	150.00
Rutland County GOP Committee	1977 *	107.00
	1977 *	38.00
Addison County Republican Women's Club	1977 *	100.00
Caledonia County Republican Women's Club	1977 *	100.00
Vermont Republican State Committee (on behalf of Lamoille County)	1977 *	200.00
Chittenden Women's Republican Club	1977 *	50.00
Brookfield Republican Town Committee	1977 *	250.00
Rutland County Republican Committee	1977 *	229.00
Washington County GOP Committee	1977 *	50.00
Vermont Federation of GOP Women	1977 *	50.00
Barre Town GOP Committee	1977 *	50.00
Orleans County Women's Republican Committee	1977 *	50.00
Total		\$1,574.00

* Month/day of receipt not available in VRFEC records, however, bank records indicate these were deposited during the period 10/21/77-12/30/77.

79040121297



FEDERAL ELECTION COMMISSION

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

MEMORANDUM

June 23, 1978

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER
STAFF DIRECTOR

FROM: *RJC* BOB COSTA/RICK HALTER

SUBJECT: AUDIT OF THE VERMONT REPUBLICAN
FEDERAL ELECTIONS COMMITTEE-POSSIBLE
VIOLATION OF 11 CFR 102.6

to VRSC.
During the audit of the Vermont Republican Federal Elections Committee (VR FEC) the following matters were noted which are being referred to your office for legal analysis and opinion.

The audit of VR FEC covered the period January 1, 1976 through March 31, 1978, the final coverage date of the VR FEC's latest report filed at the time of our audit.

1. Loan Repayment Containing Prohibited Funds

Section 102.6(b)(2) of the Commission's Regulations (11 CFR 102.6(b)(2)) provides that committees supporting Federal candidates may not receive transfers from an account or committee not established in accordance with Sections 102.6(a)(1)(i) and (ii).

As a result of our review of the VR FEC reports and records, it was determined that on March 9, 1976, VR FEC loaned \$5,000 to the Vermont Republican State Committee (VRSC), an unregistered entity which supports state and local candidates. This loan bore a 5% rate of interest per annum and was payable upon demand. On October 12, 1976 VRSC repaid the loan principal in full.



79040121298

The Treasurer of VRFEC informed us that VRFEC was a sub-committee of VRSC set up to conduct activities on the Federal level. The VRSC itself does not support Federal candidates. VRSC accepts corporate contributions and maintains a single checking account. There is no Vermont statute which prohibits corporate contributions for state election purposes.

Based on this information and the policy established by the Commission in the decision regarding the AFL-CIO, it is our contention that the VRFEC is in violation of Section 102.6(b)(2) of the Commission's Regulations for accepting and retaining the loan repayment, vis-a-vis "a transfer of funds", from a committee or account not established in accordance with Sections 102.6(a)(1)(i) and (ii) of the Commission's Regulations. Therefore, we believe that since (1) VRFEC was prohibited from accepting funds from a committee or account not established in accordance with 102.6(a)(1)(i) and (ii), and (2) apparently VRSC accepted corporate monies into the account from which the loan repayment was paid, the VRFEC should be required to refund the loan repayment (\$5,000) to VRSC.

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Based on this information it is our contention that VRFEC is also in violation of 102.6(b)(2) for accepting and retaining the proceeds from the sale of tickets to their fundraising dinner, vis-a-vis "transfers of funds" from county and local political organizations not established in accordance with 102.6(a)(1)(i) and (ii). Therefore, we believe that since (1) VRFEC was prohibited from accepting transfers from these political organizations not established in accordance with 102.6(a)(1)(i) and (ii), and (2) apparently these county and local political organizations accepted corporate monies into their accounts from which these transfers were made, the VRFEC should be required to refund the value (\$1,574.00) of the transfers received from the respective county and local political organizations.

79040121299

If you have any questions relating to the matters discussed above, please contact Mr. Rick Halter or Ms. Paula King at extension 3-4155.

Attachment as stated

79040121300

EXHIBIT A

<u>TRANSFERRING ENTITY</u>	<u>DATE</u>	<u>AMOUNT</u>
Orleans County Republican Women	10/12/76	\$ 50.00
Cabot Town Republican Committee	10/76	50.00
Vermont Federation of Republican Women	10/1/76	50.00
	10/76	150.00
Rutland County GOP Committee	1977 *	107.00
	1977 *	38.00
Addison County Republican Women's Club	1977 *	100.00
Caledonia County Republican Women's Club	1977 *	100.00
Vermont Republican State Committee (on behalf of Lamoille County)	1977 *	200.00
Chittenden Women's Republican Club	1977 *	50.00
Brookfield Republican Town Committee	1977 *	250.00
Rutland County Republican Committee	1977 *	229.00
Washington County GOP Committee	1977 *	50.00
Vermont Federation of GOP Women	1977 *	50.00
Barre Town GOP Committee	1977 *	50.00
Orleans County Women's Republican Committee	1977 *	50.00
Total		<u>\$1,574.00</u>

* Month/day of receipt not available in VR FEC records, however, bank records indicate these were deposited during the period 10/21/77-12/30/77.

79040121301



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 623

Date Filmed 4/26/79 Camera No. --- 2

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