FEDERAL ELECTION COMMISSION

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

MICROFILM ROLL #

14

7904010001

FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 642

Date Filmed 6/29/79 Camera No. --- 2

Cameraman GPC

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

June 13, 1979

Mr. Gordon H. Savage, Jr.
Third Street and Orange Avenue
Post Office Drawer B
Leesburg, Florida 32748

RE: MUR 642(78)

Dear Mr. Savage:

On June 13, 1979, the Commission voted to accept Mrs. Shultz' signed conciliation agreement and her check for $250.00 in payment of a civil penalty. Enclosed is a copy of the Commission's certification. Accordingly, the file will be closed on this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission's Certification

7904014003

6-4-7

7 9 0 4 0 1 4 0 0 0 4

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:

Gregory L. Murphy

3. ARTICLE DESCRIPTION

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	[illegible]	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

Diane M. Thurber

4. DATE OF DELIVERY 6-15-79

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆GPO 1977-0-249-595

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gordon H. Savage, Jr.
Third Street and Orange Avenue
Post Office Drawer B
Leesburg, Florida 32748

RE: MUR 642(78)

Dear Mr. Savage:

On 1979, the Commission voted to accept Mrs. Shultz' signed conciliation agreement and her check for $250.00 in payment of a civil penalty. Enclosed is a copy of the Commission's certification. Accordingly, the file will be closed on this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission's Certification

KR 6-13-79

7904014000 5

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
JoAnn Saunders	)	MUR 642(78)
Dorothy Shultz	)	

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, and after investigation, the Commission having found reasonable cause to believe that Dorothy Shultz (hereinafter respondent) violated 2 U.S.C. §441a(a)(1)(A).

NOW, THEREFORE, 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 of this case.

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

III. That the pertinent facts in this matter are as follows:

A. Respondent made a contribution in the sum of $20,000.00 to JoAnn Saunders while the latter was a candidate for a Congressional seat from the State of Florida in 1976.

7904010006

IV. WHEREFORE, Respondent agrees:

A. That she violated 2 U.S.C. §441a(a)(1)(A) by making a contribution of $20,000.00 to JoAnn Saunders in September, 1976.

B. That she will pay a civil penalty in the amount of $250.00 ~~$500.00~~ to the U.S. Treasury.

V. General Conditions

A. 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 other requirements therefore has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

B. It shall be mutually agreed that this agreement shall be effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

Date 6/13/79

William C. Oldaker
1325 K Street, N.W.
Washington, D.C. 20463

Date Apr. 25 1979

Dorothy Shultz
909 Oak Drive
Leesburg, Florida 32748

7904010007

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

June 13, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gregory L. Murphy
Murphy, McGettigan, McNally & West
921 King Street
Alexandria, VA 22314

RE: MUR 642(78)

Dear Mr. Murphy:

On June 13, 1979, the Commission voted to accept Mrs. Saunders' signed conciliation agreement and her check for $500.00 in payment of a civil penalty. Enclosed is a copy of the Commission's certification. Accordingly, the file will be closed on this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission's Certification

7 9 0 6 0 1 0 0 0 8

BCC# 9935

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED FEDERAL ELECTION COMMISSION

'79 APR 23 PM 1:53

In the Matter of	)	
	)	
JoAnn Saunders	)	MUR 642(78)
Dorothy Shultz	)	

CONCILIATION AGREEMENT

902117

This matter having been initiated by the Federal Election Commission on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, and after investigation, the Commission having found reasonable cause to believe that JoAnn Saunders (hereinafter respondent) violated 2 U.S.C. §441a(a)(1)(A);

NOW, THEREFORE, 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 of this case.

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

III. That the pertinent facts in this matter are as follows:

A. Respondent received a contribution in the sum of $20,000.00 of which she reported $10.000.00, while a candidate for a Congressional seat from the state of Florida in 1976.

7 9 0 4 0 1 0 0 0 9

IV. WHEREFORE, Respondent agrees:

A. That she violated 2 U.S.C. §441a(a)(1)(A) by accepting a contribution of $20,000.00 from Dorothy Shultz in September 1976.

B. That she will pay a civil penalty in the amount of $2,500.00 to the U.S. Treasury.

V. General Conditions

A. 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 other requirement therefore has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

B. It shall be mutually agreed that this agreement shall be effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

Date 6/13/79

William C. Oldaker
General Counsel
1325 K Street, N.W.
Washington, D.C. 20463

Date 4-20-79

JoAnn Saunders
6317 Barrister Place
Alexandria, Va. 22307

7904010010

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 642(78)
JoAnn Saunders	)	
Dorothy Shultz	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 13, 1979, the Commission determined by a vote of 5-0 to adopt the following recommendations, as set forth in the General Counsel's Report dated June 8, 1979, regarding the above-captioned matter:

1. With regard to respondent Saunders, accept the signed conciliation agreement and payment of a $500.00 civil penalty. Close the file. Send the letter attached to the above-named report.

2. With regard to respondent Shultz, accept the signed conciliation agreement and payment of a $250.00 civil penalty. Close the file. Send the letter attached to the above-named report.

Voting for this determination were Commissioners Aikens, Friedersdorf, Harris, McGarry, and Tiernan.

Attest:

6/13/79
Date

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

Received in Office of Commission Secretary: 6-11-79, 7:54
Circulated on 48 hour vote basis: 6-11-79, 11:00

7 0 0 4 0 1 0 0 1 1

June 8, 1979

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 642

Please have the attached General Counsel's Report on MUR 642 distributed to the Commission on a 48 hour tally basis.

Thank you.

7904014001 2

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY
79 JUN 11 A 7: 54

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
JoAnn Saunders	)	MUR 642(78)
Dorothy Shultz	)	

GENERAL COUNSEL'S REPORT

Background

This matter came to the Commission's attention on July 3, 1978 on a referral from the Inspector General's Office of the United States Department of Argiculture. The underlying transaction concerns a gift (according to respondent Saunders) or a loan (according to respondent Shultz) of $20,000 to the candidate Saunders from Shultz. Based on the Act's definition of "contribution" as including gifts and loans made for the purpose of influencing a candidate's election to federal office, (2 U.S.C. §431(e)(1)), the Commission found reason to believe, on July 28, 1978, that both respondents violated 2 U.S.C. §441a(a)(1)(A), the $1,000 contribution limitation section of the Federal Election Campaign Act.

On September 20, 1978, the Commission found reasonable cause to believe that both respondents violated 2 U.S.C. §441a(a)(1)(A). This finding was based on statements in the General Counsel's Report that indicated the money, or at least part of it, was used in Saunders' campaign, evidenced by the fact that the $20,000 was received by Saunders on September 20, 1976, and on September 21, 1976, Saunders loaned her campaign $10,000. The Commission also adopted the General Counsel's recommendation to send each respondent

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a conciliation agreement. The Saunders' conciliation agreement called for a $2,500.00 civil penalty, while the Shultz' conciliation agreement called for a $500.00 civil penalty. The amounts of the civil penalties in relation to the amount of the violations, and the disparity between the civil penalties for Saunders and Shultz was based on the fact that Saunders had declared bankruptcy, and the fact that Shultz would never have recovered a substantial amount, if any, of the $20,000.1/

Conciliation efforts with respondents failed to result in signed conciliation agreements, and therefore, on January 18, 1979, the Commission found probable cause to believe that both respondents violated 2 U.S.C. §441a(a)(1)(A) and authorized the General Counsel's Office to institute civil suits against both respondents.

On December 29, 1978, Saunders filed a Petition To Amend her bankruptcy schedules, in the United States District Court for the Eastern District of Virginia, to include the Federal Election Commission as a creditor.2/ The Commission received an Order, dated February 9, 1979, from the bankruptcy court, requiring the Commission to show cause why it should not be included as a creditor in the Saunders' bankruptcy. The Commission filed, with the bankruptcy court, a memorandum in opposition to being added

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1/ Although the respondents disagree as to whether the $20,000 represented a loan or a gift, Saunders did in fact make out promissory notes, payable to Shultz, for a total of $20,000. Shultz filed a civil action on the notes, but the suit was stayed pending the outcome of the Saunders' bankruptcy.

2/ Because of this bankruptcy action, the Commission was precluded, by law, from filing a civil suit against Saunders, until after the issue of whether the Commission had a claim against Saunders, provable in bankruptcy, was resolved. The Office of the General Counsel decided to delay filing suit against Shultz also, until the bankruptcy question was resolved.

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as a creditor on several legal grounds. Saunders' attorney subsequently withdrew the Petition to add the Commission as a creditor and therefore the Commission will not be affected by Saunders' anticipated discharge in bankruptcy. By letter dated May 21, 1979, Saunders' attorney made a counter offer of settlement for $500 in payment of the civil penalty.

In a memorandum distributed to the Commission on a 48 hour tally basis on April 9, 1979, the Office of the General Counsel recommended that the Commission accept Saunders' counter offer. The memorandum also recommended that one more attempt be made to conciliate with respondent Shultz before filing a civil suit. No objections to the memorandum were made by any of the Commissioners after 48 hours had passed.

Analysis

On April 23, 1979, the General Counsel's office received Saunders' signed conciliation agreement and a check for $500.00 in payment of the civil penalty. In accordance with the General Counsel's earlier recommendation, this office recommends that the Commission accept Saunders' signed conciliation agreement and the payment of $500.00 in satisfaction of the civil penalty.

With regard to the respondent Shultz, the Commission received her signed conciliation agreement on April 30, 1979. Enclosed was a check for $250.00 in satisfaction of the civil penalty. In accordance with the General Counsel's earlier recommendation, this office recommends that the Commission accept Shultz' signed conciliation agreement and the payment of $250.00 in satisfaction of the civil penalty.

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Recommendation

With regard to respondent Saunders, accept the signed conciliation agreement and payment of a $500.00 civil penalty. Close the file. Send the attached letter.

With regard to respondent Shultz, accept the signed conciliation agreement and payment of a $250.00 civil penalty. Close the file. Send the attached letter.

6/8/79
Date

William C. Oldaker
General Counsel

Attachments

1. Saunders' signed conciliation agreement
2. Copy of Saunders' check for $500.00
3. Shultz' signed conciliation agreement
4. Copy of Shultz' check for $250.00
5. Certification
6. Letter to Saunders
7. Letter to Shultz

7 9 0 4 0 1 1 0 0 1 6

Rinn GCC

10191

FEDERAL ELECTION COMMISSION

LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
921 KING STREET
ALEXANDRIA, VIRGINIA 22314
(703) 549-5353

GEORGE F. WEST, JR.
JOHN McNALLY
MICHAEL McGETTIGAN
GREGORY L. MURPHY
N. CARR STOGNER, JR.

WASHINGTON OFFICE
1519 CONNECTICUT AVENUE, N. W.
SUITE 200
WASHINGTON, D. C. 20036

79 MAY 23 AM 9:02

May 21, 1979

Richard S. Rinn, Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

902461

Re: Doris JoAnn Saunders

Dear Scott:

Since your last letter and our recent conversation, I have discussed the Conciliation Agreement proposals with my client, JoAnn Saunders. We are willing to abide by the terms of the first Conciliation Agreement drafted by your office and, therefore, withdraw the revised proposal. The $500.00 payment was previously forwarded to you and now I await your returning a signed copy of the Conciliation Agreement. I presume this now brings the matter to a close.

Thank you for your past assistance and cooperation in resolving this. I look forward to working with you again in the future.

With kindest regards, I am,

Very truly yours,

Gregory L. Murphy

GLM/dlt

cc: Ms. Doris JoAnn Saunders

79 MAY 23 AM 11:36
GENERAL COUNSEL

7 9 0 4 0 1 0 0 1 7

D. Brown

GCC#
9935

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION
COMMISSION

'79 APR 23 PM 1:53

In the Matter of	)	
	)	
JoAnn Saunders	)	MUR 642(78)
Dorothy Shultz	)	

902117

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, and after investigation, the Commission having found reasonable cause to believe that JoAnn Saunders (hereinafter respondent) violated 2 U.S.C. §441a(a)(1)(A);

NOW, THEREFORE, 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 of this case.

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

III. That the pertinent facts in this matter are as follows:

A. Respondent received a contribution in the sum of $20,000.00 of which she reported $10.000.00, while a candidate for a Congressional seat from the state of Florida in 1976.

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IV. WHEREFORE, Respondent agrees:

A. That she violated 2 U.S.C. §441a(a)(1)(A) by accepting a contribution of $20,000.00 from Dorothy Shultz in September 1976.

B. That she will pay a civil penalty in the amount of $2,500.00 to the U.S. Treasury.

V. General Conditions

A. 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 other requirement therefore has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

B. It shall be mutually agreed that this agreement shall be effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

Date _____

William C. Oldaker
General Counsel
1325 K Street, N.W.
Washington, D.C. 20463

Date 4-20-79

JoAnn Saunders
6317 Barrister Place
Alexandria, Va. 22307

7 9 0 4 0 1 0 0 1 9

GEORGE SAUNDERS
JOANN SAUNDERS
6317 BARRISTER PLACE
ALEXANDRIA, VIRGINIA 22307

639

4/20 1978

68-111
560 8

PAY TO THE ORDER OF U.S. Treasury $ 500.00

Five Hundred & 00/100 DOLLARS

FIRST VIRGINIA BANK
OFFICES
ALEXANDRIA, ARLINGTON,
FALLS CHURCH AND FAIRFAX, VIRGINIA

MEMO FEC for John Sanch

George Saunders

⑆0560⑈0111⑆ 97459 518⑈ 0639

7 9 0 0 1 4 0 0 2 0

Rinn GCC 9996

Gordon H. Savage, Jr., P.A.
Attorney at Law

Third Street and Orange Avenue Post Office Drawer B
Leesburg, Florida 32748
(904) 787-2010

'79 A

April 24, 1979

902203

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

Attention: Scott Rinn

Re: In the Matter of
JoAnn Saunders,
Dorothy Shultz,
MUR 642 (78)

Dear Mr. Rinn:

Enclosed herewith please find a Conciliation Agreement executed by Mrs. Dorothy Shultz together with my escrow check in the amount of TWO HUNDRED FIFTY and no/100ths ($250.00) DOLLARS, made payable to the Federal Election Commission as the civil penalty agreed upon.

If you have any questions, please feel free to contact me.

Sincerely,

GORDON H. SAVAGE, JR., P.A.

Gordon H. Savage Jr.

GORDON H. SAVAGE, JR.

GHSjr/kaa

Enclosures: check #840

79040100021

79 APR 30 P2:23

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
JoAnn Saunders	)	MUR 642(78)
Dorothy Shultz	)	

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, and after investigation, the Commission having found reasonable cause to believe that Dorothy Shultz (hereinafter respondent) violated 2 U.S.C. §441a(a)(1)(A).

NOW, THEREFORE, 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 of this case.

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

III. That the pertinent facts in this matter are as follows:

A. Respondent made a contribution in the sum of $20,000.00 to JoAnn Saunders while the latter was a candidate for a Congressional seat from the State of Florida in 1976.

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IV. WHEREFORE, Respondent agrees:

A. That she violated 2 U.S.C. §441a(a)(1)(A) by making a contribution of $20,000.00 to JoAnn Saunders in September, 1976.

B. That she will pay a civil penalty in the amount of $250.00 ~~$500.00~~ to the U.S. Treasury.

V. General Conditions

A. 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 other requirements therefore has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

B. It shall be mutually agreed that this agreement shall be effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

Date_____

_____
William C. Oldaker
1325 K Street, N.W.
Washington, D.C. 20463

Date Apr 25 1979

Dorothy Shultz
Dorothy Shultz
909 Oak Drive
Leesburg, Florida 32748

Sun First National Bank
of Lake County
Leesburg, Florida

840

63-133
631

April 24 1979

PAY TO THE ORDER OF Federal Election Commission $ 250.00

REGISTERED 6W36004 250 DOLLARS 00 CTS DOLLARS

GORDON H. SAVAGE, JR., P.A.
ESCROW ACCOUNT

FOR Re: Saunders-Shultz, MUR 642 (78)

Glen H. Savage Jr.

⑆063101331⑆ 2 537 160 0⑈

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 642
Jo Ann Saunders	)	
Dorothy Shultz	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on April 11, 1979, the Commission determined by a vote of 6-0 to adopt the following recommendations, as set forth in the General Counsel's Report dated April 9, 1979, regarding the above-captioned matter:

1. That Jo Ann Saunders' counter offer of $500 in satisfaction of the civil penalty be accepted.

2. That should the Commission accept the offer of settlement by Jo Ann Saunders one more attempt be made to conciliate with Dorothy Shultz before filing a civil suit.

Attest:

4/12/79 Marjorie W. Emmons

Date

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 4-9-79, 10:44
Circulated on 48 hour vote basis: 4-9-79, 4:30

7 9 0 4 0 1 0 0 2 4

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gordon H. Savage, Jr.
Third Street and Orange Avenue
Post Office Drawer B
Leesburg, Florida 32748

RE: MUR 642(78)

Dear Mr. Savage:

On 1979, the Commission voted to accept Mrs. Shultz' signed conciliation agreement and her check for $250.00 in payment of a civil penalty. Enclosed is a copy of the Commission's certification. Accordingly, the file will be closed on this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission's Certification

7904010025

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gregory L. Murphy
Murphy, McGettigan, McNally & West
921 King Street
Alexandria, VA 22314

RE: MUR 642(78)

Dear Mr. Murphy:

On , 1979, the Commission voted to accept Mrs. Saunders' signed conciliation agreement and her check for $500.00 in payment of a civil penalty. Enclosed is a copy of the Commission's certification. Accordingly, the file will be closed on this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission's Certification

7 9 0 4 0 1 0 0 2 6

GCO*

10191

RECEIVED
FEDERAL ELECTION
COMMISSION

LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
921 KING STREET
ALEXANDRIA, VIRGINIA 22314
(703) 549-5353

GEORGE F. WEST, JR.
JOHN McNALLY
MICHAEL McGETTIGAN
GREGORY L. MURPHY
N. CARR STOGNER, JR.

WASHINGTON OFFICE
1519 CONNECTICUT AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036

79 MAY 23 AM 9:02

May 21, 1979

Richard S. Rinn, Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

902461

Re: Doris JoAnn Saunders

Dear Scott:

Since your last letter and our recent conversation, I have discussed the Conciliation Agreement proposals with my client, JoAnn Saunders. We are willing to abide by the terms of the first Conciliation Agreement drafted by your office and, therefore, withdraw the revised proposal. The $500.00 payment was previously forwarded to you and now I await your returning a signed copy of the Conciliation Agreement. I presume this now brings the matter to a close.

Thank you for your past assistance and cooperation in resolving this. I look forward to working with you again in the future.

With kindest regards, I am,

Very truly yours,

Gregory L. Murphy

GLM/dlt

cc: Ms. Doris JoAnn Saunders

79 MAY 23 AM 11:36
RECEIVED
OFFICE OF
GENERAL COUNSEL

7904010027

LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
921 KING STREET
ALEXANDRIA, VIRGINIA 22314

MAY 23 AM 9:02

Richard S. Rinn, Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

MUR 10057

RECEIVED FEDERAL ELECTION COMMISSION

'79 MAY 7 PM 12 07

LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
921 KING STREET
ALEXANDRIA, VIRGINIA 22314
(703) 549-5353

GEORGE F. WEST, JR.
JOHN McNALLY
MICHAEL McGETTIGAN
GREGORY L. MURPHY
N. CARR STOGNER, JR.

WASHINGTON OFFICE
1519 CONNECTICUT AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036

May 4, 1979

902267

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 642 (78)
Doris JoAnn Saunders

Dear Mr. Oldaker:

Enclosed you will find the Conciliation Agreement executed by my client. I have made some modifications to the draft that you previously forwarded to this office to accurately reflect her position. I understand that certain letters have crossed in the mail between you and my client. I hope that this now rectifies the matter. Please endorse the Conciliation Agreement and return it to us as soon as possible.

I also understand that there might not have been sufficient funds in my client's account to cover the $500.00. This might have arisen due to her precipitous action in returning the earlier agreement to you along with a check. By copy of this letter I am instructing Ms. Saunders to forward the $500.00 to me immediately so that I may tender it to you. Upon your receipt of that money, I would appreciate your returning one signed copy of the Conciliation Agreement to this office.

Thank you for your consideration in this matter.

With kindest regards, I am,

Very truly yours,

Gregory L. Murphy

GLM/dlt

Enclosure

cc: Ms. Doris JoAnn Saunders

7904910029

LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
921 KING STREET
ALEXANDRIA, VIRGINIA 22314

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

D

GCC
9996

Gordon H. Savage, Jr., P.A.
Attorney at Law

Third Street and Orange Avenue Post Office Drawer B
Leesburg, Florida 32748
(904) 787-2010

'79 A 30 2:03

April 24, 1979

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

902203

Attention: Scott Rinn

Re: In the Matter of
JoAnn Saunders,
Dorothy Shultz,
MUR 642 (78)

Dear Mr. Rinn:

Enclosed herewith please find a Conciliation Agreement executed by Mrs. Dorothy Shultz together with my escrow check in the amount of TWO HUNDRED FIFTY and no/100ths ($250.00) DOLLARS, made payable to the Federal Election Commission as the civil penalty agreed upon.

If you have any questions, please feel free to contact me.

Sincerely,

GORDON H. SAVAGE, JR., P.A.

Gordon H. Savage Jr.

GORDON H. SAVAGE, JR.

GHSjr/kaa

Enclosures: check #840

7900140031

79 APR 30 P2:23

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 642(78)
JoAnn Saunders	)	
Dorothy Shultz	)	

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, and after investigation, the Commission having found reasonable cause to believe that JoAnn Saunders (hereinafter respondent) violated 2 U.S.C. §441a(a)(1)(A);

NOW, THEREFORE, 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 of this case.

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

III. That the pertinent allegations in this matter are as follows:

A. Respondent received a contribution in the sum of $20,000.00, of which she reported $10,000.00, while a candidate for a Congressional seat from the state of Florida in 1976.

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IV. WHEREFORE, Respondent agrees, without either admitting or denying that she violated 2 U.S.C. §441a(a)(1)(A) by receiving $20,000.00 from Dorothy Shultz in September, 1976, that she will pay a civil penalty in the amount of $500.00 to the U.S. Treasury as full and final settlement of claims made against her by the Federal Election Commission.

V. General Conditions

A. 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 other requirement therefore has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

B. It shall be mutually agreed that this agreement shall be effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

7 9 0 4 0 1 1 0 0 3 3

NOT APPROVED

FEDERAL ELECTION COMMISSION

Date: [redacted]

William C. Oldaker
General Counsel
1325 K Street, N.W.
Washington, D.C. 20463

Date: 5/1/79

JoAnn Saunders
Route 7, Box 47B
Franklin, West Virginia 26807

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 642(78)
JoAnn Saunders	)	
Dorothy Shultz	)	

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, and after investigation, the Commission having found reasonable cause to believe that JoAnn Saunders (hereinafter respondent) violated 2 U.S.C. §441a(a)(1)(A):

NOW, THEREFORE, 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 of this case.

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

III. That the pertinent allegations in this matter are as follows:

A. Respondent received a contribution in the sum of $20,000.00, of which she reported $10,000.00, while a candidate for a Congressional seat from the state of Florida in 1976.

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IV. WHEREFORE, Respondent agrees, without either admitting or denying that she violated 2 U.S.C. §441a(a)(1)(A) by receiving $20,000.00 from Dorothy Shultz in September, 1976, that she will pay a civil penalty in the amount of $500.00 to the U.S. Treasury as full and final settlement of claims made against her by the Federal Election Commission.

V. General Conditions

A. 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 other requirement therefore has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

B. It shall be mutually agreed that this agreement shall be effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

Date: _____

_____
William C. Oldaker
General Counsel
1325 K Street, N.W.
Washington, D.C. 20463

Date: 5/1/79

JoAnn Saunders
_____
JoAnn Saunders
Route 7, Box 47B
Franklin, West Virginia 26807

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7 9 0 4 0 1 4 0 0 3 6

Sun First National Bank
of Lake County
Leesburg, Florida

No. 840

April 24 1979

93-133
631

PAY TO THE ORDER OF Federal Election Commission $ 250.00

REGISTERED 8W38004 250 DOLS 00 CTS DOLLARS

GORDON H. SAVAGE, JR., P.A.
ESCROW ACCOUNT

FOR Re: Saunders-Shultz, MUR 642 (78)

Gordon H. Savage Jr.

⑆063101333⑆ 2 537 160 0⑈

Gordon H. Savage, Jr., P. A.
Attorney at Law
Post Office Drawer B
Leesburg, Florida 32748

FEDERAL ELECTION COMMISSION

79 30 PM 2 03

PM 1979

LAW DAY U.S.A.
FREEDOM UNDER LAW
MAY 1

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

Attention: Mr. Scott Rinn

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643
FEC#
10041

Glenn Saunders
Route 1 Box 43
Franklin, W.Va. 26807

902242

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

Apr. 30 - 1979

Dear Mr Oldaker

I have changed the conciliation agreement that I signed and forwarded to you a few days ago.

I signed that agreement before talking with my lawyer because finally I wanted to get the matter forwarded because it had taken to much time and cost more money than I can afford.

I now find that my lawyer they merely talked with the F.E.C. regarding another conciliation agreement which I have signed and sent to him with instruction to forward it to you.

As soon as you sign the agreement and return it to me expense funds will be deposited to cover the check that you are presently holding

Very truly yours

Glenn Saunders

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HIGH VALLEY
RT. 7, BOX 47-B
FRANKLIN, WEST VIRGINIA 26807

7904011003

BLUE GRASS, VA
MAY 2 PM 1979
24413

Mr William C Ulsaker
Federal Election Commission
1325 K Street N.W.
Washington
DC 20463

GEORGE SAUNDERS
JOANN SAUNDERS
6317 BARRISTER PLACE
ALEXANDRIA, VIRGINIA 22307

639

4/20 19 79

68-111
560

PAY TO THE ORDER OF U.S. Treasury $ 500.00

Five Hundred and 00/100 DOLLARS

FIRST VIRGINIA BANK
OFFICES
ALEXANDRIA, ARLINGTON,
FALLS CHURCH AND FAIRFAX, VIRGINIA

MEMO FEC for John Saunders

George Saunders

⑆0560⑈0111⑆ 97459 518⑈ 0639

0 1 0 0 1 1 0 1 0 6 7

HIGH VALLEY
RT. 7, BOX 47-B
FRANKLIN, WEST VIRGINIA 26807

7901010041

BLUE GRASS VA
APR 21 AM 1979
24413

15¢
OLIVER WENDELL HOLMES

FEDERAL ELECTION COMMISSION
79 APR 23 PM 1 53

Mr William C. Oldaker
Federal Election Commission
825 K Street N.W.
Washington, D.C. 20463

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

April 20, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gordon H. Savage, Jr.
Third Street and Orange Avenue
Post Office Drawer B
Leesburg, Florida 32748

Re: MUR 642

Dear Mr. Savage:

As you indicated to Scott Rinn of my staff on April 5, 1979, you were going to attempt to speak with Mrs. Schultz concerning the terms of the Commission's conciliation agreement. On April 18, 1979, after not hearing any word from you, this office attempted to contact you again. A member of your office, however, indicated that your schedule precluded you from returning the Commission's call until after May 4, 1979.

Therefore, with this letter I urge you to contact Scott Rinn, at (202) 523-4073, as soon as possible in order that we can discuss Mrs. Schultz' conciliation agreement and if possible avoid litigating this matter.

Sincerely,

William C. Oldaker
General Counsel

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

April 16, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. George L. Murphy
Murphy, McGettigan, McNally & West
921 King Street
Alexandria, Virginia 22314

Re: MUR 642 (78)

Dear Mr. Murphy:

On April 11, 1979, the Federal Election Commission voted to accept your offer of $500.00 in settlement of MUR 642. In order to close this matter, have Ms. Saunders cross out, under section IV B of the conciliation agreement, the figure $2,500.00, write in the figure $500.00 and write in her initials in the margin, opposite that line. Then have her sign and date the agreement. The check for $500.00 in payment of the civil penalty should be made payable to the United States Treasury.

When you have completed the above, please have the signed conciliation agreement and the check for $500.00 mailed to the Federal Election Commission, Office of the General Counsel. If you have any questions, please contact Scott Rinn, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

William C. Oldaker
General Counsel

cc - Ms. Doris Jo Ann Saunders
Route 7, Box 47B
Franklin, West Virginia 26807

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: Doris Jo Ann Saunders

3. ARTICLE DESCRIPTION — REGISTERED NO. | CERTIFIED NO. 7980 | INSURED NO.

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY: 4/20/79 — POSTMARK: BLUE GRASS VA APR 20 PM 1979 24613

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE — CLERK'S INITIALS

GPO 1977-0-249-595

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: Geo. L. Murphy

3. ARTICLE DESCRIPTION — REGISTERED NO. | CERTIFIED NO. 7980 | INSURED NO.

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY: 4/19/79 — POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE — CLERK'S INITIALS

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. George L. Murphy
Murphy, McGettigan, McNally & West
921 King Street
Alexandria, Virginia 22314

Re: MUR 642 (78)

Dear Mr. Murphy:

On April 11, 1979, the Federal Election Commission voted to accept your offer of $500.00 in settlement of MUR 642. In order to close this matter, have Ms. Saunders cross out, under section IV B of the conciliation agreement, the figure $2,500.00, write in the figure $500.00 and write in her initials in the margin, opposite that line. Then have her sign and date the agreement. The check for $500.00 in payment of the civil penalty should be made payable to the United States Treasury.

When you have completed the above, please have the signed conciliation agreement and the check for $500.00 mailed to the Federal Election Commission, Office of the General Counsel. If you have any questions, please contact Scott Rinn, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

William C. Oldaker
General Counsel

cc - Ms. Doris Jo Ann Saunders
Route 7, Box 478
Franklin, West Virginia 26807

RSR

SR/cah
4/13/79

7904010045

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 642
Jo Ann Saunders	)	
Dorothy Shultz	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on April 11, 1979, the Commission determined by a vote of 6-0 to adopt the following recommendations, as set forth in the General Counsel's Report dated April 9, 1979, regarding the above-captioned matter:

1. That Jo Ann Saunders' counter offer of $500 in satisfaction of the civil penalty be accepted.

2. That should the Commission accept the offer of settlement by Jo Ann Saunders one more attempt be made to conciliate with Dorothy Shultz before filing a civil suit.

Attest:

4/12/79 Marjorie W. Emmons

Date

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 4-9-79, 10:44
Circulated on 48 hour vote basis: 4-9-79, 4:30

7904010046

April 9, 1979

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 642

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

Thank you.

April 9, 1979

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 642

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

Thank you.

7904010048

RECEIVED
CLERK OF THE COMMISSION
SECRETARY

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

79 APR 9 A10: 44

April 9, 1979

MEMORANDUM

TO: The Commission

FROM: William C. Oldaker

RE: MUR 642 - Jo Ann Saunders and Dorothy Shultz

Background

This matter came to the Commission's attention on July 3, 1978 on a referral from the Inspector General's Office of the United States Department of Agriculture. The underlying transaction concerns a gift (according to respondent Saunders) or a loan (according to respondent Shultz) of $20,000 to the candidate Saunders from Shultz. Based on the Act's definition of "contribution" as including gifts and loans made for the purpose of influencing a candidate's election to federal office, (2 U.S.C. §431(e)(1)), the Commission found reason to believe, on July 28, 1978, that both respondents violated 2 U.S.C. §441a(a)(1)(A), the $1,000 contribution limitation section of the Federal Election Campaign Act.

On September 20, 1978, the Commission found reasonable cause to believe that both respondents violated 2 U.S.C. §441a(a)(1)(A). This finding was based on statements in the General Counsel's Report that indicated the money, or at least part of it, was used in Saunder's campaign, evidenced by the fact that the $20,000 was received by Saunders on September 20, 1976, and on September 21, 1976, Saunders loaned her campaign $10,000. The Commission also adopted the General Counsel's recommendation to send each respondent a conciliation agreement. The Saunders conciliation agreement called for a $2,500.00 civil penalty, while the Shultz conciliation agreement called for a $500.00 civil penalty. The amounts of the civil penalties in relation to the amount of the violations, and the disparity between the civil penalties for Saunders and Shultz was based on the fact that Saunders

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had declared bankruptcy. and the fact that Shultz would never have recovered a substantial amount, if any, of the $20,000.1/

Conciliation efforts with respondents failed to result in signed conciliation agreements, and therefore, on January 18, 1979, the Commission found probable cause to believe that both respondents violated 2 U.S.C. §441a(a)(1)(A) and authorized the General Counsel's Office to institute civil suits against both respondents.

On December 29, 1978, Saunders filed a Petition To Amend her bankruptcy schedules, in the United States District Court for the Eastern District of Virginia, to include the Federal Election Commission as a creditor. The Commission received an Order, dated February 9, 1979, from the bankruptcy court, requiring the Commission to show cause why it should not be included as a creditor in the Saunders' bankruptcy. The Commission filed, with the bankruptcy court, a memorandum in opposition to being added as a creditor on several legal grounds. Saunders' attorney subsequently withdrew the Petition to add the Commission as a creditor and therefore the Commission will not be affected by Saunders' anticipated discharge in bankruptcy. By letter dated March 28, 1979, Saunders' attorney made a counter offer of settlement for $500 in payment of the civil penalty. (Attachment A).

Analysis

It is apparent that violations of 2 U.S.C. §441a(a)(1)(A) were committed by both Saunders and Shultz. As to Saunders, it is also apparent that she will soon be discharged in bankruptcy and has already been declared bankrupt. Saunders' offer of $500 in satisfaction of the civil peanlty, therefore, must be considered with the fact that she is legally bankrupt. While the Commission may still sue Saunders for the full amount of the violation, the Office of the General Counsel recommends that Saunders' counter offer of $500 in satisfaction of the civil penalty be accepted.

In regard to respondent Shultz, the Office of the General Counsel recommends that should the Commission accept the offer of settlement by Saunders one more attempt be made to conciliate with Shultz before filing a civil suit. While a statement with

---

1/ Although the respondents disagree as to whether the $20,000 represented a loan or a gift, Saunders did in fact make out promissory notes, payable to Shultz, for a total of $20,000. Shultz filed a civil action on the notes, but the suit was stayed pending the outcome of the Saunders' bankruptcy.

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Saunders does not erase Shultz' violation or change the fact that a civil penalty should be paid by Shultz, the underlying reasons by which the Commission originally determined to assess a lower civil penalty to Shultz than Saunders dictate that a final good faith attempt by the Commission to settle with Shultz at a figure below $500 should be attempted.

Attachments

1. letter from Saunders' attorney
2. letter to Saunders
3. conciliation agreement

7904010051

GCC# 9759

ATTACHMENT A

LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
921 KING STREET
ALEXANDRIA, VIRGINIA 22314
(703) 549-5353

GEORGE F. WEST, JR.
JOHN McNALLY
MICHAEL McGETTIGAN
GREGORY L. MURPHY
N. CARR STOGNER, JR.

WASHINGTON OFFICE
1519 CONNECTICUT AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036

RECEIVED FEDERAL ELECTION COMMISSION

'79 MAR 29 AM 11:55

March 28, 1979

901796

Richard S. Rinn, Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: JoAnn Saunders

Dear Scott:

Enclosed you will find the original and one copy of the Order withdrawing Mrs. Saunders' Petition to amend her bankruptcy schedules in order to add the Federal Election Commission as a creditor. Please execute the original and return it to me as soon as possible so that it may be filed within the ten day period stipulated by the Court.

As indicated to you earlier, our decision to withdraw our Petition is based solely on Mrs. Saunders' poor financial condition. Due to the conflicting principles woven into the Bankruptcy Act and the undiscernable ambiguities in the Federal Election Campaign Act, it is my opinion that whatever the outcome in the Bankruptcy Court, the matter would warrant an appeal for final clarification. Specifically, I believe it is arguable that the civil penalty sought to be imposed by the FEC is compensatory in nature in that it has hybrid characteristics of an outright penalty as well as a compensatory sum limited to the amount of contribution which allegedly was improperly received. Accepting this theory, case law under Parker v. United States, 153 F.2d 66 (1st Cir. 1946) supports our argument. Also, the very case you cite, Simonson v. Granquist, 369 U.S. 42 (1962), directs itself to the anomalous principles of the Bankruptcy Act, which on the one hand bars a claim against the estate for a penalty (asserting that creditors should not have to share the net assets with one seeking collection of a penalty) and yet on the other hand, in apparent conflict with this, does not appear to allow the discharge of a penalty (contending here that a penalty has greater dignity than a debt).

7904010052

While it does not make economic sense for Mrs. Saunders to challenge this conflict under the Bankruptcy Act in order to be relieved of any potential obligation owed to the FEC, we will preserve this issue to raise collaterally, if necessary, in any civil action in the U.S. District Court. In addition to this, I am equally concerned about the intention of the enforcement provisions of the Federal Election Campaign Act. Implicitly, §437(g) seems only to apply when the Commission determines it is necessary to enjoin one from continuing violations of the Act. I say this because the Act limits the Commission to attempting to "correct or prevent" violations. If punishment for a wilful and intentional violation is deemed warranted, the proper action is through §441j.

Of course, in Mrs. Saunders' case, an injunction is not necessary since she is not currently involved in any campaign, and therefore there is nothing further to "correct or prevent." Since she relied on legal counsel's advice in Florida on how to treat this source of funds, I suggest that criminal charges would be ill-advised and inequitable.

Assuming, arguendo, that there was an improper contribution, the party who made it had benefit of promissory notes for repayment. Thus the Commission need not be called on to "correct" the situation, whether by fine or compensation. The fact that Mrs. Saunders has availed herself of legal process to discharge that obligation should not be considered as a situation needing remedial action by the Commission for this would penalize her for taking advantage of a legal process that is legitimately available to her. Moreover, since the Commission does not forward the payment of any penalty to the contributor, an enforcement action could not possibly benefit the contributor regardless. Consequently, we are left with only one plausible interpretation pursuant to the enforcement clause, that being to stop or prevent any future violations of the Act. As previously stated, that is unnecessary insofar as Mrs. Saunders is concerned.

Despite these legal contentions in defense of your claim against Mrs. Saunders, she is amenable to executing a conciliation agreement providing for the immediate payment of $500.00 to the Commission. This decision is solely dictated by the paucity of Mrs. Saunders' financial posture. As I have indicated to you before in our conversations, Mrs. Saunders is without assets and without employment, and therefore she is not really in a position to pay the amount of any judgment against her; however, she will make whatever arrangements are necessary in order to pay the proposed $500.00 to the Commission in order to bring this matter to an amicable conclusion. I am hopeful that the Commission will accept Mrs. Saunders' good faith offer, for it is the only way I can see that this matter can be resolved to the benefit of all parties concerned.

Very truly yours,

Gregory L. Murphy

GLM/bmh
Enclosures

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Doris Jo Ann Saunders
Route 7, Box 47B
Franklin, WV 26807

RE: MUR 642(78)

Dear Ms. Saunders:

On April , 1979, the Federal Election Commission voted to accept your offer of $500.00 in settlement of MUR 642. In order to close this matter, cross out, under section IV B of your conciliation agreement, the figure $2,500.00, write in the figure $500.00 and write in your initials in the margin, opposite that line. Then sign and date the agreement. The check for $500.00 in payment of the civil penalty should be made payable to the United States Treasury.

When you have completed the above, please mail the signed conciliation agreement and the check for $500.00 to the Federal Election Commission, Office of the General Counsel. If you have any questions, please contact Scott Rinn, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

William C. Oldaker
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
JoAnn Saunders	)	MUR 642(78)
Dorothy Shultz	)	

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, and after investigation, the Commission having found reasonable cause to believe that JoAnn Saunders (hereinafter respondent) violated 2 U.S.C. §441a(a)(1)(A);

NOW, THEREFORE, 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 of this case.

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

III. That the pertinent facts in this matter are as follows:

A. Respondent received a contribution in the sum of $20,000.00 of which she reported $10.000.00, while a candidate for a Congressional seat from the state of Florida in 1976.

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IV. WHEREFORE, Respondent agrees:

A. That she violated 2 U.S.C. §441a(a)(1)(A) by accepting a contribution of $20,000.00 from Dorothy Shultz in September 1976.

B. That she will pay a civil penalty in the amount of $2,500.00 to the U.S. Treasury.

V. General Conditions

A. 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 other requirement therefore has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

B. It shall be mutually agreed that this agreement shall be effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

Date _____

_____
William C. Oldaker
General Counsel
1325 K Street, N.W.
Washington, D.C. 20463

Date _____

_____
JoAnn Saunders

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 642 (78)
Doris JoAnn Saunders)
Dorothy Shultz)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on January 18, 1979, the Commission, meeting in an Executive Session at which a quorum was present, determined by a vote of 5-0 to approve the General Counsel's recommendation to find Probable Cause to Believe that Doris JoAnn Saunders and Dorothy Shultz have violated 2 U.S.C. §441a(a)(1)(A), and authorize the General Counsel to file civil suit.

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

Attest:

1/19/79
Date

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

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EXECUTIVE SESSION
January 18, 1979

BEFORE THE FEDERAL ELECTION COMMISSION
January 11, 1979

In the Matter of	)	
	)	
Doris JoAnn Saunders	)	MUR 642 (78)
Dorothy Shultz	)	

GENERAL COUNSEL'S REPORT

Background

On September 20, 1978, the Commission adopted the recommendation of the General Counsel and found reasonable cause to believe that Doris JoAnn Saunders and Dorothy Shultz violated 2 U.S.C. §441a(a)(1)(A) and the appropriate invitation to conciliation was sent. The Commission's finding was based on a contribution made by Dorothy Shultz and accepted by Doris JoAnn Saunders in the sum of $20,000.00 while the latter was a candidate for a Congressional seat in Florida.

Analysis

The Office of the General Counsel has been engaged in prolonged conciliation talks based on the respondents' professed eagerness to resolve this matter without litigation. However, since we have not been able to reach an agreement, further conciliation efforts would appear to be fruitless. Consequently, our efforts to conciliate this matter have failed.

Recommendation

Find probable cause to believe that Doris JoAnn Saunders and Dorothy Shultz have violated 2 U.S.C. §441a(a)(1)(A), and authorize the General Counsel to file civil suit.

1/12/79
Date

William C. Oldaker
General Counsel

7904010058

LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
921 KING STREET
ALEXANDRIA, VIRGINIA 22314
(703) 549-5352

GEORGE F. WEST, JR.
JOHN McNALLY
MICHAEL McGETTIGAN
GREGORY L. MURPHY
N. CARR STOGNER, JR.

WASHINGTON OFFICE
1519 CONNECTICUT AVENUE, N. W.
SUITE 200
WASHINGTON, D. C. 20036

FEC MAIL ROOM
78 DEC 15 AM 9:20

December 12, 1978

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

ATTN: Duane Brown

Re: MUR 642 (78)

000459

Dear Mr. Brown:

Since our last conversation and your recent correspondence, I have reviewed your proposal with my client and find it totally unacceptable. Your claim is ambiguous and therefore we feel that we have not had the "reasonable opportunity to demonstrate that no action should be taken in this matter." Without the clarification that I have continually sought in my past letters to you, we are not able to determine the validity of your charge. Even after my telephone conversation with you I remain uncertain as to exactly what the violation is that you assert -- whether Mrs. Saunders should have reported the entire $20,000.00 as a campaign contribution or whether only the $10,000.00 constitutes the violation since it was reported. As you must know by now, it is our firm contention that that money was given to Mrs. Saunders personally and not as a campaign contribution. The fact that she elected to use what was then considered to be her own personal funds for her campaign should not result in a violation of the Federal Election Campaign Act.

Regardless, Mrs. Saunders is in no position to settle this matter with you since she is presently in bankruptcy and has no funds. Your unwillingness to explore the possibility of a deferred payment reduces our options to one. By copy of the enclosed you will see that we are moving to amend her bankruptcy petition to include any potential claim that you feel you may have.

With kindest regards, I remain,

Very truly yours,

Gregory L. Murphy

GLM/dlt
Enclosures

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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division

IN RE: DORIS JO ANN SAUNDERS (a/k/a Jo Ann Saunders) (a/k/a Mrs. George E. Saunders), Bankrupt.	)))))	Bankruptcy No. 78-248-A

PETITION TO AMEND SCHEDULE

COMES NOW the Bankrupt, Doris Jo Ann Saunders, and moves this Court by this Petition to allow an amendment to the Schedule of Bankruptcy filed on April 5, 1978, on the following grounds:

1. That the following creditor, to-wit:

FEDERAL ELECTION COMMISSION
ATTN: William C. Oldaker, Esquire
General Counsel
1325 K Street, N.W.
Washington, D.C. 20463

was inadvertently not included in the Statement of Affairs originally filed by the Bankrupt.

2. That at the time of the filing of the Statement of Affairs a claim had not been asserted by the Federal Election Commission contending that your Bankrupt had violated the Federal Election Campaign Act of 1971 as amended [2 U.S.C. §441a(a)(1)(A)]. Having found probable cause to believe that your Bankrupt violated the Federal Election Campaign Act on September 20, 1976, the Federal Election Commission now asserts a claim for civil penalty in the amount of $5,000.00. This claim is disputed by the Bankrupt.

3. That the omission of said creditor was not made with any attempt to defraud or mislead said creditor or any of the other creditors.

WHEREFORE, the Bankrupt respectfully requests that this Court allow the Bankrupt to amend Schedule A-3 of the above-referenced Statement of Affairs to include the above-named creditor.

Doris Jo Ann Saunders

STATE OF _____.

CITY/COUNTY OF _____, to-wit:

Before me, the undersigned Notary Public in and for the State and City/County aforesaid, personally appeared DORIS JO ANN SAUNDERS, whose name is signed to the foregoing Petition to Amend Schedule, and acknowledged her signature thereto this _____ day of _____, 197___.

Notary Public
My comm. exp.: _____

MURPHY, McGETTIGAN, McNALLY & WEST
921 King Street
Alexandria, VA 22314
(703) 549-5353
Attorneys for Bankrupt

By: _____
Gregory L. Murphy

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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division

IN RE: DORIS JO ANN SAUNDERS (a/k/a Jo Ann Saunders) (a/k/a Mrs. George E. Saunders), Bankrupt	)))))	Bankruptcy No. 78-248-A

ORDER PERMITTING AMENDMENT TO SCHEDULE

THIS CAUSE came to be heard upon the Petition filed by the Bankrupt to amend her Schedule of Bankruptcy and cause therefor not having been shown why said Petition should not be granted, it is hereby

ORDERED and DECREED that the Petitioner, Doris Jo Ann Saunders, Bankrupt, may amend her Schedule to include the following creditor:

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

ATTN: William C. Oldaker, Esquire
General Counsel

RE: MUR642(78)
September 20, 1976; civil penalty
$5,000.00

ENTERED this _____ day of _____, 197___.

_____
Martin V.B. Bostetter, Jr., Judge

I ask for this:

_____
Gregory L. Murphy
Murphy, McGettigan, McNally & West
921 King Street
Alexandria, VA 22314
(703) 549-5353
Attorneys for Bankrupt

7 9 0 4 0 1 4 0 0 6 3

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division

IN RE: DORIS JO ANN SAUNDERS (a/k/a Jo Ann Saunders) (a/k/a Mrs. George E. Saunders), Bankrupt.	)))))	Bankruptcy No. 78-248-A

ORDER TO SHOW CAUSE

At Alexandria, in said District, on the _____ day of _____, 197____.

IT APPEARING that Doris Jo Ann Saunders, formerly of 8223 Dr. Craik Court, Alexandria, Virginia, 22306, and now located at Route 7, Box 47B, Franklin, West Virginia, 26807, has been adjudicated bankrupt in this proceeding and that the first meeting of her creditors was held on May 23, 1978, and that the Bankrupt has applied for leave to amend her Schedules to include the following additional creditor:

FEDERAL ELECTION COMMISSION
ATTN: William C. Oldaker, Esquire
General Counsel
1325 K Street, N.W.
Washington, D.C. 20463

The creditors are hereby notified that they may appear in the Court of Bankruptcy in the United States District Court for the Eastern District of Virginia, Alexandria Division, Washington Street, Alexandria, Virginia, on the _____ day of _____, 197___ at _____ o'clock ___.M. and show cause, if any, why the Bankrupt's Schedules should not be amended to add the said creditor.

The additional creditors are hereby notified that proofs of claim must be filed within six (6) months from the above date of the first meeting of creditors.

ORDERED, that the ____ day of _____, 197___, is hereby fixed as the last day for filing of objections to the discharge of the Bankrupt, and for the filing of applications, as provided in §17c(2) of the Bankruptcy Act, to determine the dischargeability of debts claimed to be non-dischargeable pursuant to clauses 2, 4 or 8 of §17a of the Bankruptcy Act.

ENTERED this _____ day of _____, 197___.

_____
Martin V.B. Bostetter, Jr., Judge

I ask for this:

_____
Gregory L. Murphy
Murphy, McGettigan, McNally & West
921 King Street
Alexandria, VA 22314
(703) 549-5353
Attorneys for Bankrupt

SCHEDULE A-3.—CREDITORS HAVING UNSECURED CLAIMS WITHOUT PRIORITY*

Name of creditor (including last known address of any negotiable instrument) and residence or place of business of creditor, or state	Specify when claim was incurred and the consideration therefor; when claim is contingent, unliquidated, disputed, subject to set off, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, or indicate specify name of any partner on joint contract on any debt	Amount of claim	
		$	
Federal Election Commission ATTN: William C. Oldaker, Esq. General Counsel 1325 K Street, N.W. Washington, D.C. 20463 RE: MUR642 (78)	This is a disputed claim brought by the Federal Election Commission contending that the bankrupt committed a violation of the Federal Election Campaign Act of 1971 as amended (2 U.S.C. §441a(a)(1)(A). The Commission, having found probable cause to believe a violation has occurred, seeks payment of a civil penalty in an amount not to exceed $5,000.00.	5,000	00
	Total	$5,000	00

FIRST CLASS

7 0 0 1 0 1 0 0 6 6

NORTHERN VIRGINIA VA 220
PM
DEC 13
1978

First Class Mail

LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
921 King Street
ALEXANDRIA, VIRGINIA 22314

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

ATTN: Duane Brown

'78 DEC 15 AM 9:20

FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO CHARLES STEELE

FROM: MARJORIE W. EMMONS mwe by pc

DATE: NOVEMBER 22, 1978

SUBJECT: MUR 642 (78) - Interim Report dated 11-20-78
Received in OCS: 11-21-78, 10:07

The above-named document was circulated on a 24 hour no-objection basis at 3:30, November 21, 1978.

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

7904010067

November 21, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 642

Please have the attached Interim Report distributed to the Commission.

Thank you.

7904010068

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

78 NOV 21 A10: 07

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
JoAnn Saunders	)	MUR 642(78)
Dorothy Shultz	)	

INTERIM REPORT

On September 20, 1978, the Commission adopted the recommendation of the General Counsel and found reasonable cause to believe that JoAnn Saunders and Dorothy Shultz violated 2 U.S.C. §441a(a)(1)(A). Since that time, both respondents have been in constant contact with this office - both in writing and by telephone - in an effort to conciliate this matter. A deadline date concluding any further discussion in this matter was set for November 15, 1978. We hope to conclude this matter shortly.

11/20/78
Date

William C. Oldaker
General Counsel

7904010069

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

November 21, 1978

Gordon H. Savage, Jr., Esquire
Attorney at Law
Third Street and Orange Avenue
Post Office Drawer B
Leesburg, Florida 32748

Re: MUR 642 (78)

Dear Mr. Savage:

Pursuant to the telephone conversation between you and Duane Brown of my staff on November 13, 1978, I have enclosed a copy of the letter and conciliation agreement mailed to your client, Dorothy Shultz, on September 21, 1978. As you already know, the (30) days allowed to correct this violation by informal methods has expired. It is therefore necessary that your client sign the conciliation agreement and remit the civil penalty to the Office of General Counsel, Federal Election Commission, no later than Wednesday, November 21, 1978. The check should be made payable to the U.S. Treasury.

If we have not received a response from your client as of that time, the Commission, upon my recommendation, may find probable cause to believe a violation has occurred, institute civil suit in the United States District Court and seek payment of a civil penalty not in excess of $5,000.00.

If you have any questions, please contact Duane Brown at (202) 523-4000.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement
Letter to Dorothy Shultz

7 9 0 4 0 1 1 0 0 7 0

7904010071

Mark 642 - D. Brown

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:
Gordon H. Savage, Jr. Esquire
Third Street and Orange Ave.
P.O. Drawer B
Leesburg, Fla. 32748

3. ARTICLE DESCRIPTION

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438271	

(Always obtain signature of addressee or agent)

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

John H. Savage

4. DATE OF DELIVERY 11-24-78 POSTMARK

LEESBURG NOV 24 1978 FL 32748

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

GPO: 1977 O-249-595

Gordon H. Savage, Jr., Esquire
Attorney at Law
Third Street and Orange Avenue
Post Office Drawer B
Leesburg, Florida 32748

11/20/78

Re: MUR 642 (78)

Dear Mr. Savage:

Pursuant to the telephone conversation between you and Duane Brown of my staff on November 13, 1978, I have enclosed a copy of the letter and conciliation agreement mailed to your client, Dorothy Shultz, on September 21, 1978. As you already know, the (30) days allowed to correct this violation by informal methods has expired. It is therefore necessary that your client sign the conciliation agreement and remit the civil penalty to the Office of General Counsel, Federal Election Commission, no later than Wednesday, November 15, 1978. The check should be made payable to the U.S. Treasury.

If we have not received a response from your client as of that time, the Commission, upon my recommendation, may find probable cause to believe a violation has occurred, institute civil suit in the United States District Court and seek payment of a civil penalty not in excess of $5,000.00.

If you have any questions, please contact Duane Brown at (202) 523-4000.

Sincerely,

(S)

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement
Letter to Dorothy Shultz

7904010072

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

September 21, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Dorothy Shultz
909 Oak Drive
Lessburg, Florida 32748

RE: MUR 642(78)

Dear Ms. Shultz:

On September 20, 1978, the Commission determined there was reasonable cause to believe that you committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that you made a contribution of $20,000.00 to Ms. JoAnn Saunders on September 20, 1976, while she was a candidate for the Congressional seat in the 5th District of Florida, in violation of 2 U.S.C. §441a(a)(1)(A).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g(a)(5)(B). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in the United States District Court and seek payment of a civil penalty not in excess of $5000.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it [along with the civil penalty] to the Commission within ten days. I will then recommend that the Commission approve the agreement.

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If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Duane Brown, the attorney assigned to this matter, at 202-523-4000.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
JoAnn Saunders	)	MUR 642(78)
Dorothy Shultz	)	

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, and after investigation, the Commission having found reasonable cause to believe that Dorothy Shultz (hereinafter respondent) violated 2 U.S.C. §441a(a)(1)(A).

NOW, THEREFORE, 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 of this case.

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

III. That the pertinent facts in this matter are as follows:

A. Respondent made a contribution in the sum of $20,000.00 to JoAnn Saunders while the latter was a candidate for a Congressional seat from the State of Florida in 1976.

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IV. WHEREFORE, Respondent agrees:

A. That she violated 2 U.S.C. §441a(a)(1)(A) by making a contribution of $20,000.00 to JoAnn Saunders in September, 1976.

B. That she will pay a civil penalty in the amount of $500.00 to the U.S. Treasury.

V. General Conditions

A. 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 other requirements therefore has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

B. It shall be mutually agreed that this agreement shall be effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

Date _____

_____
William C. Oldaker
1325 K Street, N.W.
Washington, D.C. 20463

Date _____

_____
Dorothy Shultz
909 Oak Drive
Leesburg, Florida 32748

7 9 0 1 0 1 0 0 7 6

Gordon H. Savage, Jr., P. A.
Attorney at Law

Third Street and Orange Avenue Post Office Drawer B
Leesburg, Florida 32748
(904) 787-2040

November 3, 1978

William C. Oldaker,
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Dear Mr. Olkdaker:

Re: Dorothy Shultz
MUR 642 (78)

Mrs Shultz has handed me a letter to her of October 26, 1978, and in examining the facts relative to this case, we can not agree with your letter for the following reasons:

1. That the money was in fact a loan as evidenced by Promissory Notes signed by Mrs. Saunders.

2. That Mrs. Shultz filed a law suit, Case #77-858-A, and is represented by Attorney Richard L. Cys.

3. That as a defense to this action, Mrs. Saunders filed a Petition to be adjudged bankrupt, and named Mrs. Shultz as a creditor for the sums enumerated within the Notes, which I believe you have copies, and which is a subject of this matter.

On this basis alone, it appears it was not a gift or a financial contribution for a campaign, and is in fact a loan and does not give rise to a violation by Mrs. Dorothy Shultz.

As Mrs. Shultz feels that a waiver should be granted, I feel that this is a reasonable request.

If I can be of assistance or if you disagree with this, please advise.

Sincerely,

GORDON H. SAVAGE, JR., P.A.

Gordon H. Savage Jr.

GORDON H. SAVAGE, JR.

GHSjr/kaa

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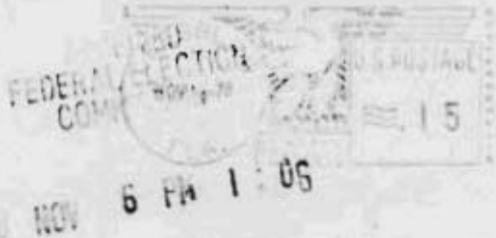
Gordon H. Savage, Jr., P. A.
Attorney at Law
Post Office Drawer B
Leesburg, Florida 32748



William C. Oldaker,
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

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CCN# 5463

LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
609 QUEEN STREET
ALEXANDRIA, VIRGINIA 22314
(703) 549-5250

GEORGE F. WEST, JR.
W. JOHN McNALLY, III
MICHAEL McGETTIGAN
GREGORY L. MURPHY
N. CARR STOGNER, JR.

WASHINGTON OFFICE
1519 CONNECTICUT AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036

RECEIVED
FEDERAL ELECTION
COMMISSION
'78 NOV 3 PM 12:28

November 1, 1978

Duane Brown, Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

807608

Re: MUR 642(78)

Dear Mr. Brown:

Unfortunately William C. Oldaker's letter of October 26, 1978 does not reply to all questions raised in my letter to you of October 5, 1978. Specifically I would appreciate your clarifying paragraph V as to the terms of the conciliation agreement.

Additionally, the recitation of facts reported under paragraph III and IV indicate that Ms. Saunders received a contribution in the amount of $20,000.00. I presume your contention is that this is a political contribution. It is my understanding that Ms. Shultz' gift to my client was not, in fact, a political contribution. Regardless, I have forwarded your letter to Ms. Saunders and I await her response which I will immediately convey to you.

In the interim, I would appreciate your clarifying the effect of her agreeing to your proposal. I will be in touch with you shortly and hope to hear from you at your earliest convenience.

With kindest regards, I remain,

Respectfully,

Gregory L. Murphy

GLM/bmh

cc: Ms. Doris JoAnn Saunders

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LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
609 QUEEN STREET
ALEXANDRIA, VIRGINIA 22314

7 9 0 4 0 1 0 0 8 0

RECEIVED
FEDERAL ELECTION COMMISSION

'79 NOV 3 PM 12:26

Duane Brown, Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

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

October 26, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Dorothy Shultz
909 Oak Drive
Leesburg, Florida 32748

RE: MUR 642 (78)

Dear Ms. Shultz:

Thank you for your letter of October 7, 1978, in response to the Federal Election Commission's reasonable cause to believe finding. The Office of the General Counsel cannot recommend to the Commission that your request for a waiver of the civil penalty be granted based on the information provided by you regarding your net worth.

It is therefore necessary that you sign the conciliation agreement and return it, along with the civil penalty, to the Commission within five days of your receipt of this letter.

If you have any questions, please contact Duane Brown, the attorney assigned to this matter, at (202) 523-4000.

Sincerely,

William C. Oldaker
General Counsel

7901010031

MLK 642 - D Brown

● 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:
Dorothy Shultz
964 Oak Drive
Leesburg, Fla 32748

3. ARTICLE DESCRIPTION

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943776	

(Always obtain signature of addressee or agent)

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

4. Dorothy Shultz

DATE OF DELIVERY	POSTMARK
11-1-78	

5. ADDRESS (Complete only if requested)
IMMIGRATION & NATURALIZATION SERVICE
1025 VERMONT AVENUE, N. W.
WASHINGTON, D. C. 20536

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆GPO: 1977—0—248-505

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

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

October 26, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gregory L. Murphy, Esq.
Murphy, McGettigan, McNally and West
609 Queen Street
Alexandria, Virginia 22314

RE: MUR 642 (78)

Dear Mr. Murphy:

In your letter of October 6, 1978, you request clarification of certain parts of the Commission's proposed conciliation agreement.

First, the evidence upon which the Commission found reasonable cause to believe Ms. Saunders had violated the Federal Election Campaign Act (2 U.S.C. §441a(a)(1)(a)) was sworn statements made by Ms. Saunders and by Ms. Dorothy Shultz.

Second, the wording in paragraph III-A of the conciliation agreement is simply a factual statement. The reporting by Ms. Saunders of the contribution she received from Ms. Shultz is not alleged as a violation of the Act. The violation is stated in paragraph IV-A.

Finally, it should be understood that this matter will not be closed until Ms. Saunders has returned the Conciliation Agreement - signed - and accompanied by the civil penalty. Once this has occurred, the matter will be closed by the Commission.

We request that Ms. Saunders execute the agreement and submit a check to satisfy the civil penalty within five days of your receipt of this letter.

If you have any questions, please contact Duane Brown, the attorney assigned to this matter at (202) 523-4000.

Sincerely,

William C. Oldaker
General Counsel

7 9 0 1 0 1 0 0 6 3

MUK-642-D Brown

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:
   Gregory L. Murphy, Esq.
   Murphy, McCartney, Wheeler & Hurt
   609 Queen St.
   Alex, VA 22314

3. ARTICLE DESCRIPTION

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943783	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☑ Authorized agent
Diane L. Thurber

4. DATE OF DELIVERY | POSTMARK

5. ADDRESS (Complete only if requested)
   609 Queen St
   Alex, VA 22314

6. UNABLE TO DELIVER BECAUSE: C. O. CLERKS INITIALS

STOCK 1977 – O – 249-595

7 9 0 4 0 1 0 0 9 4

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

MEMORANDUM TO CHARLES STEELE

FROM: MARJORIE W. EMMONS MWE by pc

DATE: OCTOBER 24, 1978

SUBJECT: MUR 642 - Interim Report dated 10-18-78
Received in OCS: 10-20-78,
1:45

The above-named document was circulated on a 24 hour no-objection basis at 9:00, October 23, 1978.

The Commission Secretary's Office has received no objections to the Interim Report as of 11:00, this date.

7 9 0 4 0 1 0 0 8 6

October 20, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 642

Please have the attached Interim Report on MUR 642 distributed to the Commission.

Thank you.

7904010086

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

78 OCT 20 P 1: 45

In the Matter of	)	
	)	
JoAnn Saunders	)	MUR 642 (78)
Dorothy Shultz	)	

INTERIM REPORT

On September 20, 1978, the Commission adopted the recommendation of the General Counsel and found reasonable cause to believe that JoAnn Saunders and Dorothy Shultz violated 2 U.S.C. §441a(a)(1)(A). Since that time both respondents have been in contact with the Office of General Counsel, either individually or through counsel, in an effort to conciliate this matter. We hope to conclude this matter shortly.

10/18/78
Date

William C. Oldaker
General Counsel

7900101097

7904011009

REC'D
FEDERAL
COMM

Leesburg Fla
Oct 13 78 2:10

Mr Duane Brown
Dear Sir:
Will try to answer your question as honest and truthful as I know how.

Jean Saunders, borrowed $20,000.00 twenty thousand dollars from me, on Sept 20, 1976, for 60 and 90 days, which she signed notes for. I only gave her 260.00 of donation, enclosed are receipts for same.

I do not own this home. It is in Russell H. Shultz name, my estranged husbands ~~name~~.

He pays state and county tax, the city charges by mills.

My 72 Cadi is worth around 1450 or 1500 hundred dollars.

Mr Shultz and I have joint shares in unitedcommunication telephone Co which used to be Fla Tel,
The dividend every 3 mths 262.48
Mr R. Cup has sent bill over $3500.00
Have paid, at beginning $1580.00
His address suit 1000-1660 L Street N.W-
Washington D.C.
He is with Verner, Luffert, Bernard & McPherson-
Mr Shultz and I have joint acct 17,315.67
I had to sell my station 30,640.00
as I only had $2000, left when I let Joann have $10,000, from First Fed Saving, She had to continue to draw on that, as Mr Shultz does not pay my bills.
I drew out $1,411.50 for Dr bill at Lakeland Fla, Watkins Clinic.
Three years ago I had heart surgery, this July 7, had to have the artery replaced in

7 9 0 4 0 1 1 0 0 9 0

my left leg, which is still giving me trouble.

Mr Brown, JoAnn Saunders, has caused me so much trouble, She should be furiished She has made so many false statements. She should have told the truth, and maybe she would still have his job. She is a fraud and cheat,

Mr Tatuber from Agriculture Dept, came down took information,

I am not a spent thrift, I try to save what I have left will have to do me rest of my life, with the bills and cost of living I have to be careful, as I only get $96.10 S.S.

Thanking you in advance

Sincerely

Dorothy A. Shultz

First Federal Savings

0.00

30000.00 +
408.22 -
29591.78

Money Back Guarantee

JoAnn Saunders hereby Guarantees that she will represent the people of the Fifth Congressional District of Florida in the U.S. House of Representatives if elected. If the holder of this certificate is not satisfied, his/her money will be refunded.

Ron Shuck, Treasurer

$ 60.00
Amount

Volunteer

Bryan Hugo, Chairman

015

Money Back Guarantee

JoAnn Saunders hereby Guarantees that she will represent the people of the Fifth Congressional District of Florida in the U.S. House of Representatives if elected. If the holder of this certificate is not satisfied, his/her money will be refunded.

Ron Shuck, Treasurer

$ 100.00
Amount

Volunteer

Bryan Hugo, Chairman

017

7 9 0 4 0 1 1 0 0 9 1

Money Back Guarantee

JoAnn Saunders hereby Guarantees that she will represent the people of the Fifth Congressional District of Florida in the U.S. House of Representatives if elected. If the holder of this certificate is not satisfied, his/her money will be refunded.

Ron Shuck, Treasurer

$100.00 Amount

Volunteer

320

Bryan Hugo, Chairman

BALANCE BRO'T FOR'D	4 968.84
AMOUNT DEPOSITED	42.75
BALANCE	5 011.59
AMOUNT THIS CHECK	310.00
BALANCE CARD FOR'D	4,701.59

78 checking at Citizens Nat Bank 130

PAY TO R L Tucker

FOR ancestrasonogrst

DATE		PATIENT		DESCRIPTION	DOCTOR		
				BALANCE FORWARD →			0.00
7 47	7 47	DUNUTH	1	EKG	MCINTOSH.	Y	14.00
7 47	7 47	DUNUTH	1	XRAY	HALL. R L	X	12.50
7 47	7 47	DOROTH	1	HOSP ADMIT/DISC-A-GE	COLLINS. J	X	0.00
7 77	7 57	[illegible]	1	SPECIAL PRO	HALL. R L	X	125.00
7 77	7 77	[illegible]	1	SURGERY	COLLINS. J	Y	1261.00

I received back 100.00 still owe 144.00. gotta pay as soon as I can go draw out.

$ 1,411.59

PAY THIS AMOUNT

INSURANCE CLAIMS WILL BE FILED ON REQUEST HOWEVER ROUTINE MONTHLY BILLINGS WILL CONTINUE PAYMENTS OR CHARGES RECEIVED AFTER STATEMENT DATE WILL APPEAR ON NEXT STATEMENT

ACCOUNT NUMBER	DATE	YEAR TO DATE PERS. PYMTS
[illegible]	28 7	[illegible]

SEE REVERSE SIDE FOR INSURANCE

KEEP THIS PART OF YOUR STATEMENT FOR YOUR RECORD

Mr Savage put this in error - for a trip to DC
then I gave him another 20.00 to cover the trip -

NO.

March 27 1978

RECEIVED FROM Dorothy Shutts

Three Hundred Fifty-Two + 00/100 DOLLARS

for 2 tickets to Washington

Account Total $ 352.00

Amount Paid $ 352.00

Balance Due $ -0-

GORDON H. SAVAGE, JR.
Attorney at Law
P. O. DRAWER B
LEESBURG, FLORIDA

Karen Webster

"THE EFFICIENCY LINE" AN AMPAD PRODUCT

7 6 0 4 0 1 0 0 9 3

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

WOR
GC 643
5157
RECEIVED
FEDERAL ELECTION
COMMISSION

'78 OCT 13 PM 2:10

806859

JUN 5 1978

Mrs. Dorothy A. Shultz
909 Oak Drive
Leesburg, Florida 32748

Dear Mrs. Shultz:

Thank you for your recent letter to Secretary Bergland regarding Mrs. Joanne Saunders.

We have referred your letter to our Office of Inspector General for further review. You may be assured it will receive prompt attention.

Sincerely,

HAROLD P. GROSS
Assistant to the Secretary

7 9 0 4 0 1 0 0 9 4

P.S. Mr Brewer,

If I had given her this money would I be trying to get it back.

I only want justice. She signed bank notes. But she has made so many statement not true.

She has the advantage of me. She is up there and I'm in Fla.

Sorry for delay - we had holiday, then I just can't get anything done

Thanks

Dorothy A. Shultz

7901010095

Dorothy A. Shuey
709 Oak Dr
Leesburg Fla 32748

7 4 0 1 1 0 0 0 6 0

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

Mr Duane Brown

RETURN RECEIPT
REQUESTED

CERTIFIED
No. 702502
MAIL

'78 OCT 13 PM 2:10
FEDERAL ELECTION
COMMISSION
RECEIVED

ACCN 5081

LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
609 QUEEN STREET
ALEXANDRIA, VIRGINIA 22314
(703) 549-5250

GEORGE F. WEST, JR.
W. JOHN McNALLY, III
MICHAEL McGETTIGAN
GREGORY L. MURPHY
N. CARR STOGNER, JR.

WASHINGTON OFFICE
1819 CONNECTICUT AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036

RECEIVED FEDERAL ELECTION COMMISSION

'78 OCT 12 PM 12:34

October 5, 1978

806719

Duane Brown, Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 642(78)

Dear Mr. Brown:

My client, JoAnn Saunders, has forwarded to me William C. Oldaker's letter of September 21, 1978, wherein she was informed that the Commission determined that there was reasonable cause to believe that she committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended. In order to resolve this matter in a conciliatory manner, your offices have sought payment from her as a civil penalty in the amount of $2,500.00. Prior to my being able to recommend that Ms. Saunders execute any conciliation agreement, certain matters need to be clarified.

Specifically, I would appreciate your stating the basis for the Commission's finding that there was reasonable cause to believe that she accepted a contribution of $20,000.00 from Ms. Dorothy Shultz on September 20, 1976. In order for my client to avail herself of the "reasonable opportunity to demonstrate that no action should be taken in this matter" a more specific basis for your determination must be supplied us before proper rebuttal can be made.

Furthermore, your conciliation agreement under paragraph 3A indicates that Ms. Saunders erred in reporting $10,000.00 rather than $20,000.00 of an alleged contribution. Am I to infer from this that your contention is that she violated the Federal Election Campaign Act by reporting only half of a contribution and therefore should pay a civil penalty equivalent to 25% of the amount of money that she failed to report?

Additional confusion is found in your paragraph 5 wherein you seem to imply that, regardless of any agreement entered into by us, the Commission retains the right to reopen

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this case upon the request of any person requesting it to do so? I would presume that what you intended to say was that should Ms. Saunders accept the conciliation agreement and not pay the $2,500.00 then you could reopen her case and institute a civil action if necessary. However, if she should execute the agreement and pay the $2,500.00 then the entire matter would be closed.

I look forward to your early response to my questions and am hopeful that we can resolve this matter without precipitous litigation.

With kindest regards, I am,

Respectfully,

Gregory L. Murphy

GLM/dlt

cc: Ms. Doris JoAnn Saunders

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LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
609 QUEEN STREET
ALEXANDRIA, VIRGINIA 22314

7900010009

FEDERAL ELECTION COMMISSION

-PM
5 OCT 1978

'78 OCT 6 PM 12:25

Duane Brown, Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

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

September 29, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert F. Smith
Acting Director for
Security and Special Investigations Division
United States Department of Agriculture
Office of Investigation
Washington, D.C. 20250

Dear Mr. Smith:

This is in response to your letter of September 18, 1978, in which you seek information concerning the status of the investigative report on JoAnn Saunders transmitted by your office to the Federal Election Commission.

At this stage of the investigation, the Commission has found reasonable cause to believe that JoAnn Saunders violated the Federal Election Campaign Act and we are involved in a process of conciliation. The Commission requires however, that this investigation not be made public without the written consent of JoAnn Saunders (2 U.S.C. §437g(a)(3)(B)).

If you have any further questions, please call Duane A. Brown, the attorney assigned to this matter at 523-4000.

Sincerely,

William C. Oldaker
General Counsel

7904101 0

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

September 21, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. JoAnn Saunders
6317 Barrister Place
Alexandria, VA 22307

RE: MUR 642(78)

Dear Ms. Saunders:

On September 20, 1978, the Commission determined there was reasonable cause to believe that you committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that you accepted a contribution of $20,000.00 from Ms. Dorothy Shultz on September 20, 1976, during your candidacy for the Congressional seat in the 5th District of Florida, in violation of 2 U.S.C. §441a(a)(1)(A).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g(a)(5)(B). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in the United States District Court and seek payment of a civil penalty not in excess of $5000.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it [along with the civil penalty] to the Commission within ten days. I will then recommend that the Commission approve the agreement.

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If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Duane Brown, the attorney assigned to this matter, at 202-523-4000.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

642 D. Brown

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: Jo Ann Saunders

3. ARTICLE DESCRIPTION: REGISTERED NO. | CERTIFIED NO. 98357 | INSURED NO.

(Always obtain signature of addressee or agent)

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

4. Connie Elliott

DATE OF DELIVERY 9-23

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

ALEXANDRIA, VIRGINIA SEP 22 1978 U.S.P.O.

☆GPO: 1977-0-249-595

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. JoAnn Saunders
5317 Barrister Place
Alexandria, VA 22307

RE: MUR 642(88)

Dear Ms. Saunders:

On September , 1978, the Commission determined there was reasonable cause to believe that you committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act, of 1971, as amended. Specifically, the Commission found reasonable cause to believe that you accepted a contribution of $20,000.00 from Ms. Dorothy Shultz on September 20, 1976, during your candidacy for the Congressional seat in the 5th District of Florida, in violation of 2 U.S.C. §441a(a)(1)(A).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g(a)(5)(B). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in the United States District Court and seek payment of a civil penalty not in excess of $5000.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please signand return it (along with the civil penalty) to the Commission within ten days. I will then recommend that the Commission approve the agreement.

7904010103

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Duane Brown, the attorney assigned to this matter, at 202-523-4080.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
JoAnn Saunders	)	MUR 642(78)
Dorothy Shultz	)	

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, and after investigation, the Commission having found reasonable cause to believe that JoAnn Saunders (hereinafter respondent) violated 2 U.S.C. §441a(a)(1)(A);

NOW, THEREFORE, 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 of this case.

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

III. That the pertinent facts in this matter are as follows:

A. Respondent received a contribution in the sum of $20,000.00 of which she reported $10.000.00, while a candidate for a Congressional seat from the state of Florida in 1976.

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IV. WHEREFORE, Respondent agrees:

A. That she violated 2 U.S.C. §441a(a)(1)(A) by accepting a contribution of $20,000.00 from Dorothy Shultz in September 1976.

B. That she will pay a civil penalty in the amount of $2,500.00 to the U.S. Treasury.

V. General Conditions

A. 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 other requirement therefore has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

B. It shall be mutually agreed that this agreement shall be effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

Date _____

_____
William C. Oldaker
General Counsel
1325 K Street, N.W.
Washington, D.C. 20463

Date _____

_____
JoAnn Saunders
6317 Barrister Place
Alexandria, Va. 22307

7 9 0 4 0 1 0 1 0 6

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

September 21, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Dorothy Shultz
909 Oak Drive
Lessburg, Florida 32748

RE: MUR 642(78)

Dear Ms. Shultz:

On September 20, 1978, the Commission determined there was reasonable cause to believe that you committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that you made a contribution of $20,000.00 to Ms. JoAnn Saunders on September 20, 1976, while she was a candidate for the Congressional seat in the 5th District of Florida, in violation of 2 U.S.C. §441a(a)(1)(A).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g(a)(5)(B). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in the United States District Court and seek payment of a civil penalty not in excess of $5000.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it [along with the civil penalty] to the Commission within ten days. I will then recommend that the Commission approve the agreement.

7 9 0 4 0 1 0 1 0 7

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Duane Brown, the attorney assigned to this matter, at 202-523-4000.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

1642 D. Brown

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: Dorothy Shultz 32747 909 Oak Dr Leesburg Fla

3. ARTICLE DESCRIPTION: REGISTERED NO. | CERTIFIED NO. 97330 | INSURED NO.

(Always obtain signature of addressee or agent)

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

4. Dorothy Shultz
DATE OF DELIVERY OCT 4 1978
POSTMARK LEESBURG OCT 4 1978 FLA

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆GPO: 1977-0-240-565

7901010103

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Dorothy Shultz
909 Oak Drive
Leesburg, Florida 32748

RE: MUR 642(78)

Dear Ms. Shultz:

On September , 1978, the Commission determined there was reasonable cause to believe that you committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that you made a contribution of $20,000.00 to Ms. JoAnn Saunders on September 20, 1976, while she was a candidate for the Congressional seat in the 5th District of Florida, in violation of 2 U.S.C. §441a(a)(1)(A).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g(a)(5)(B). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in the United States District Court and seek payment of a civil penalty not in excess of $5000.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it [along with the civil penalty] to the Commission within ten days. I will then recommend that the Commission approve the agreement.

7 9 0 4 0 1 4 0 1 0 9

BKM

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Duane Brown, the attorney assigned to this matter, at 202-523-4008.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

7 9 0 4 0 1 4 0 1 1 0

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
JoAnn Saunders	)	MUR 642(78)
Dorothy Shultz	)	

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, and after investigation, the Commission having found reasonable cause to believe that Dorothy Shultz (hereinafter respondent) violated 2 U.S.C. §441a(a)(1)(A).

NOW, THEREFORE, 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 of this case.

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

III. That the pertinent facts in this matter are as follows:

A. Respondent made a contribution in the sum of $20,000.00 to JoAnn Saunders while the latter was a candidate for a Congressional seat from the State of Florida in 1976.

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IV. WHEREFORE, Respondent agrees:

A. That she violated 2 U.S.C. §441a(a)(1)(A) by making a contribution of $20,000.00 to JoAnn Saunders in September, 1976.

B. That she will pay a civil penalty in the amount of $500.00 to the U.S. Treasury.

V. General Conditions

A. 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 other requirements therefore has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

B. It shall be mutually agreed that this agreement shall be effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

Date_____

_____
William C. Oldaker
1325 K Street, N.W.
Washington, D.C. 20463

Date _____

_____
Dorothy Shultz
909 Oak Drive
Leesburg, Florida 32748

7 9 0 4 0 1 0 1 1 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 642 (78)
JoAnn Saunders)
Dorothy Shultz)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on September 20, 1978, the Commission determined by a vote of 6-0 to adopt the following recommendations of the General Counsel regarding the above-captioned matter as set forth in the General Counsel's Report dated September 13, 1978:

1. Find reasonable cause to believe that JoAnn Saunders and Dorothy Shultz violated 2 U.S.C. §441a(a)(1)(A).

2. Send the conciliation agreements and letters attached to the above-named report.

Attest:

9/20/78
Date

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

Received in Office of Commission Secretary: 9-14-78, 10:27
Circulated on 48 hour vote basis: 9-18-78, 3:30

7 9 0 4 0 1 4 0 1 1 3

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

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS MWE

SUBJECT: COMMENTS REGARDING MUR 642

DATE: SEPTEMBER 20, 1978

Attached is a copy of Commissioner Aikens' vote sheet with comments regarding errors in the conciliation agreements in MUR 642.

ATTACHMENT
Copy of vote sheet

7 9 0 4 0 1 4 0 1 1 1

48 HOUR TALLY SHEET

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION

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

78 SEP 19 P2:14

Date and Time Transmitted: Sept ~~19~~ 18, 1978 3:30

Commissioner Aikens

RETURN TO OFFICE OF COMMISSION SECRETARY BY: SEPTEMBER ~~19~~ 20, 1978 3:30

MUR No. 642 - General Counsel's Report dated 9-13-78

(✓) I approve the recommendation

( ) I object to the recommendation

COMMENTS: Both conciliation agreements have errors on 2nd page sec. IV A & B "That it violated..." should read "That she violated..."

Date: 9/19/78 Signature: Joe Aikens

THE OFFICE OF GENERAL COUNSEL WILL TAKE NO ACTION IN THIS MATTER UNTIL THE APPROVAL OF FOUR COMMISSIONERS IS RECEIVED. PLEASE RETURN ALL PAPERS NO LATER THAN THE DATE AND TIME SHOWN ABOVE TO THE OFFICE OF COMMISSION SECRETARY. ONE OBJECTION PLACES THE ITEM ON THE EXECUTIVE SESSION AGENDA.

4 0 0 0 0 1 0 1 1 4 7

September 14, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 642

Please have the attached General Counsel's Report on MUR 642 distributed to the Commission on a 48 hour tally basis.

Thank you.

7 9 0 4 0 1 4 0 1 1 6

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
JoAnn Saunders	)	MUR 642(78)
Dorothy Shultz	)	

GENERAL COUNSEL'S REPORT

On July 28, 1978, the Commission adopted the recommendation of the Office of General Counsel and found reason to believe that JoAnn Saunders and Dorothy Shultz violated 2 U.S.C. §441a(a)(1)(A). Subsequently, the Office of General Counsel received responses from both respondents wherein both persons deny that the $20,000 given by Dorothy Shultz was a contribution in support of the congressional candidacy of JoAnn Saunders. However, both respondents' statements conflict in the description of the actual nature and purpose of the transaction. Through her attorney, JoAnn Saunders states in effect that the $20,000 given to her by Dorothy Shultz was not for the support of her congressional campaign, but instead was a gift to Ms. Saunders personally to be used as the latter deemed appropriate. (Attachment I) On the other hand, Dorothy Shultz' response regards the transaction as a loan to Ms. Saunders given at a time when Ms. Saunders was being investigated by the Florida Commission on Ethics for failing to file proper financial reports. (Attachment II)

It appears from a review of a report submitted by an investigator for the Florida Commission on Ethics, that JoAnn Saunders was in fact the subject of an investigation by the commission, based on her failure to file proper financial disclosure statements with the State.

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Nevertheless, Office of General Counsel staff feel that a violation of 2 U.S.C. §441a(a)(1)(A) has occurred for several reasons. First, in a sworn statement, Dorothy Shultz mentions that she met JoAnn Saunders through the local Democratic organization in Florida. In her deposition, JoAnn Saunders affirms the Shultz statement and adds that the two had grown to be close personal friends throughout the Saunders campaign. Ms. Shultz was considered an ardent supporter of Ms. Saunders and often appeared at campaign gatherings with her in order to further expose Ms. Saunders to the Democratic organization in which Ms. Shultz was an active member. Second, a review of the files referred to the Commission by the Inspector General, USDA, reveals that JoAnn Saunders, in a deposition taken of her on March 27, 1978, stated that the money was given to her by Ms. Shultz for use in the Saunders for Congress campaign. Third, it should be noted that the $20,000 was given by Ms. Shultz to Ms. Saunders on September 20, 1976 and that $10,000 was loaned by Ms. Saunders to her campaign committee on September 21, 1976. The $10,000 given by Saunders to her campaign committee seems clearly to have been part of the money given by Shultz to Saunders.

In view of these facts, the Office of General Counsel recommends that the Commission find reasonable cause to believe that JoAnn Saunders and Dorothy Shultz violated 2 U.S.C. §441a(a)(1)(A).

By the fact that Ms. Shultz secured promissory notes from Ms. Saunders at the time of giving her the $20,000 and by the fact that Ms. Shultz is presently suing Ms. Saunders for repayment of the $20,000 it is evident that Ms. Shultz gave the $20,000 to Ms. Saunders as a loan. Although a loan is as much a contribution

under 2 U.S.C. §431 as any other form of contribution, the fact that Ms. Shultz appears to have permanently lost the $20,000 (Ms. Saunders has declared bankruptcy) appears to warrant a lesser civil penalty than would normally be warranted for a violation of this magnitude.

RECOMMENDATION

1) Find reasonable cause to believe that JoAnn Saunders and Dorothy Shultz violated 2 U.S.C. §441a(a)(1)(A).

2. Send attached conciliation agreements and letters.

9/13/78
Date

William C. Oldaker
General Counsel

Enclosures

Conciliation Agreements
Letters

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J. Evans 802613
GCC # 4417

LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
609 QUEEN STREET
ALEXANDRIA, VIRGINIA 22314
(703) 549-5250

GEORGE F. WEST, JR.
W. JOHN McNALLY, III
MICHAEL McGETTIGAN
GREGORY L. MURPHY
N. CARR STOGNER, JR.

WASHINGTON OFFICE
1519 CONNECTICUT AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036

RECEIVED
FEDERAL ELECTION COMMISSION
'78 AUG 23 AM 8:03

ATTACHMENT I

August 21, 1978

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR642
JoAnn Saunders

Dear Mr. Oldaker:

As a follow-up to our earlier telephone conversation and your letter of July 31, 1978 to Ms. Saunders, please find enclosed a copy of a letter forwarded to Robert O. Tyler, Trustee in Ms. Saunders' bankruptcy, clarifying my misstatement in her petition.

More specifically, you should understand that Dorothy Shultz was considered to be a warm personal friend of Ms. Saunders, practically considered as part of the family. Consequently, during the campaign Ms. Shultz devoted a great deal of time and personal attention to JoAnn Saunders. It was Dorothy Shultz who first suggested making a gift to JoAnn Saunders for her personal needs. Ms. Saunders rejected the generous offer of a gift on numerous occasions but later finally accepted it due to the persistence of Ms. Shultz. Although Ms. Shultz told Ms. Saunders not to worry about repaying the money since it was for her personally, Ms. Saunders thought it better to provide Ms. Shultz with promissory notes obligating her to reimburse the funds.

There was some indication by Ms. Shultz that she was also motivated by a desire to assist in bringing an end to adverse publicity circulating against Ms. Saunders and accordingly wanted to make a gift to her personally that might assist in thwarting the attacks in the newspapers. The primary motivation, however, seemed to come from the fact that Mr. and Mrs. Saunders were unemployed at the time of the campaign and Ms. Shultz was thus concerned about their personal welfare and was in such a sound

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financial position herself that she could afford to help them. Consequently, although given the notes by Ms. Saunders, Ms. Shultz indicated that she never intended to collect on them since the money was contemplated as a personal matter.

While you intimate in your letter of July 31 that there might be a possible violation of 2 USC §661A(a)(1)(A), which prohibits a person from making a contribution to a candidate in excess of $1,000.00, I might point out to you that Dorothy Shultz did in fact contribute to the campaign in October of 1976 but only in the amount of $210.00. Due to this special quasi-familial relationship that existed between Dorothy Shultz and the Saunders', and considering Ms. Shultz' concern for the personal well-being of JoAnn Saunders during the trying times of the campaign, it is our position that her gift (or loan, as Ms. Saunders preferred to consider it at the time, regardless of the waiver of repayment by Ms. Shultz), does not constitute the type of contribution contemplated under 2 USC §431(e)(1)(A). There is no evidence whatsoever that Ms. Shultz was motivated out of a desire to influence the election but, to the contrary, was solely concerned with the personal well-being of JoAnn Saunders. More importantly, this entire scenario and the close relationship of the parties amply demonstrates that JoAnn Saunders did not "knowingly and wilfully" commit any violation of the Federal Election Campaign Act.

Surprisingly, Ms. Shultz decided to file suit on the gift for which she was gratuitously given notes. That debt, amongst others, has put JoAnn Saunders into personal bankruptcy. Consequently, their personal relationship has been detrimentally affected and Ms. Shultz' recent statements alleging poverty appear to be borne more out of the sting of the bankruptcy and a vindicative desire to obtain a sympathetic ear from someone in the government rather than out of the truth of her financial condition.

Obviously, we are quite concerned about your on-going investigation since it is very detrimental to Ms. Saunders' future. We are willing to assist in whatever manner you might suggest so that we may bring this matter to a close. Accordingly, I look

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forward to hearing from you should you have any further questions regarding this case. Please note for your records that my client's new address is 6317 Barrister Place, Alexandria, Virginia, 22307.

Very truly yours,

Gregory L. Murphy

GLM/dlt

cc: Ms. Doris JoAnn Saunders

7 9 0 4 0 1 0 2 2

LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
608 QUEEN STREET
ALEXANDRIA, VIRGINIA 22314
(703) 548-5250

GEORGE F. WEST, JR.
W. JOHN McNALLY, III
MICHAEL McGETTIGAN
GREGORY L. MURPHY
N. CARR STOCKER, JR.

WASHINGTON OFFICE
1519 CONNECTICUT AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036

July 28, 1978

Robert O. Tyler, Esquire
803 Prince Street
Alexandria, VA 22314

Re: Bankruptcy: Doris JoAnn Saunders
Bankruptcy No. 78-248-A

Dear Mr. Tyler:

Subsequent to the filing of my client's Voluntary Petition for Bankruptcy, it was brought to my attention by her that there was a misstatement as to the description on Schedule A-3 of a debt owed to Dorothy A. Shultz. Therein this office characterized it as a "loan for political campaign evidenced by two $10,000.00 notes signed by Bankrupt". Review of my own notes in this matter shows that I was the author of that description and my client now indicates to me that, in fact, the loans were made directly to her personally and not to her political campaign. Actually, at the time of the transfer of the funds there was an indication that the money was intended as a gift to Mrs. Saunders personally. However, she later signed promissory notes for the full $20,000.00 amount to the benefit of Ms. Shultz.

While this distinction does not seem important to the bankruptcy, I thought I would clarify it for your information and am willing to make a formal amendment to the Petition should you deem it necessary.

If you should have any questions with respect to this matter, do not hesitate to contact me.

With kindest regards, I am,

Respectfully,

Gregory L. Murphy

GLM/dlt

cc: Ms. Doris JoAnn Saunders

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ATTACHMENT II

Leesburg Fla
Aug. 4, 1978

Dear Sir:

Mr Brown,

In answer to your letter of yesterday.

Jamie Saunders, borrowed $20,00 dollars from me Sept 20, 1976 for (90) ninety days and signed notes to the affect.

She was in trouble with Ethics Committee in Tallahassee for false statements, and needed the money quickly.

She called me a few days later, asking for $2500.00 more which I did not have. She knew I only had $200.00 left in my savings. Thinking she was honest, I thought she would pay as promised. I did not let her have the $2500.00 she called for as the $20,000 was about all I had.

She has made false statements through out this investigation.

my lawyer here will be glad to write you to the same as I have written.

Mr Brown, I am an old lady now 68 not able to work any more, and have been home 3 weeks from hospital replacement of arteries in my leg, 3 years ago had by pass to my heart. I only get 94.50 S.S.

I had one piece of income property, had to sell it recently to help with my doctor bills.

I hope this is the statement you need and please call me anytime 904-787-3187

I really hope & pray I can get my money back, I worked in a service station 18 years to save it, So you see I'm not rich as she has said

Thanking you
Sincerely
Dorothy C. Shultz
909 Oak Dr
Leesburg, Fla. 32748

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. JoAnn Saunders
6317 Barrister Place
Alexandria, VA 22307

RE: MUR 642(78)

Dear Ms. Saunders:

On September , 1978, the Commission determined there was reasonable cause to believe that you committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that you accepted a contribution of $20,000.00 from Ms. Dorothy Shultz on September 20, 1976, during your candidacy for the Congressional seat in the 5th District of Florida, in violation of 2 U.S.C. §441a(a)(1)(A).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g(a)(5)(B). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in the United States District Court and seek payment of a civil penalty not in excess of $5000.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it [along with the civil penalty] to the Commission within ten days. I will then recommend that the Commission approve the agreement.

7904101126

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Duane Brown, the attorney assigned to this matter, at 202-523-4000.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Dorothy Shultz
909 Oak Drive
Lessburg, Florida 32748

RE: MUR 642(78)

Dear Ms. Shultz:

On September , 1978, the Commission determined there was reasonable cause to believe that you committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that you made a contribution of $20,000.00 to Ms. JoAnn Saunders on September 20, 1976, while she was a candidate for the Congressional seat in the 5th District of Florida, in violation of 2 U.S.C. §441a(a)(1)(A).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g(a)(5)(B). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in the United States District Court and seek payment of a civil penalty not in excess of $5000.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it [along with the civil penalty] to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Duane Brown, the attorney assigned to this matter, at 202-523-4000.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

7 9 0 4 0 1 0 1 2 7 9

Gcc#

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF INVESTIGATION
WASHINGTON, D.C. 20250

FEDERAL ELECTION COMMISSION

SEP 18 1978

806384

Mr. William Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20005

Dear Mr. Oldaker:

On July 3, 1978, this office transmitted to you a copy of an investigative report on JoAnn Saunders and requested a review be made to determine if Saunders had violated Federal Election laws.

Please submit information regarding the results of your review and any actions contemplated.

Sincerely,

Robert F. Smith

ROBERT F. SMITH
Acting Director for
Security and Special Investigations Division

7904010130

MUR 642

01 - SSID - Room 450-E

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE
AGR 101

1 0 1 4 0 1 2 1

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

Mr. William Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20005

80220

ACO# 4447

Gordon H. Savage, Jr., P.A.
Attorney at Law

Third Street and Orange
Leesburg, Florida 32748
(904) 787-2040

RECEIVED
FEDERAL ELECTION
COMMISSION

'78 AUG 1 PM 4:

August 7, 1978

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

Attention: Mr. Duane Brown Re: MUR 642

Dear Mr. Brown:

Please find enclosed Mrs. Shultz' letter written by hand to you.

If you have any further questions about this matter, please feel free to contact Richard L. Cys, Attorney with the firm of Verner, Liipfert, Bernhard & McPherson, Suite 1000, 1660 L Street, N.W., Washington, D.C. 20036, phone # 202-452-7493.

Mrs. Shultz has advised me that she has no objection to making this matter as public as is necessary.

I am Mrs. Shultz' local attorney and have represented her for a number of years.

Sincerely,

GORDON H. SAVAGE, JR., P.A.

Gordon H. Savage Jr.

GORDON H. SAVAGE, JR.

GHSjr/kaa

Enclosure

I affirm that said Gordon H. Savage, Jr. is my peronal attorney and has the right to contact anyone in regard to this matter.

DATED this 2 day of August, A.D., 1978.

Dorothy A. Shultz
DOROTHY SHULTZ

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7904014013 3

Leesburg Fla
Aug. 4, 1978

Dear Sir:

Mr Beaver,

In answer to your letter of yesterday.

JAnne Saunders, borrowed $20,000 dollars from me Sept 20, 1976 for (90) ninety days and signed notes to the effect.

She was in trouble with Ethics Committee in Tallahassee for false statements, and needed the money quickly.

She called me a few days later, asking for $2500.00 more which I did not have. She knew I only had $200.00 left in my savings. Thinking she was honest, I thought she would pay as promised. I did not let her have the $2510.00 she called for as the $20,000 was about all I had.

She has made false statements through out this investigation.

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my lawyer here will be glad to write you to the same as I have written.

Mr Brown, I am an old lady now 68 not able to work any more, and have been home 3 weeks from hospital replacement of arteries in my leg, 3 years ago had by pass to my heart. I only get 94.50 S.S.

I had one piece of income property, had to sell it recently to help with my doctor bills.

I hope this is the statement you need and please call me anytime. 904-787-3087

I really hope + pray I can get my money back, I worked in a service station 18 years to save it, So you see I'm not rich as she has said

Thanking you
Sincerely
Dorothy C. Shultz
909 Oak Dr
Leesburg, Fla. 32748

Gordon H. Savage, Jr., P.A.
Attorney at Law
Post Office Drawer B
Leesburg, Florida 32748

FEDERAL ELECTION COMMISSION

'78 AUG 10 AM 11:27

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

Attention: Mr. Duane Brown

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

July 31, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. JoAnn Saunders
8223 Dr. Craik Court
Alexandria, Virginia

RE: MUR 642

Dear Ms. Saunders:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that you accepted a contribution of $20,000.00 from Ms. Dorothy Shultz on September 20, 1976, during your candidacy for the Congressional seat in the 5th District of Florida, in violation of 2 U.S.C. §441a(a)(1)(A). We have numbered this matter MUR 642.

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

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after receipt of this notification.

If you have any questions, please contact Duane Brown, the attorney assigned to this matter at (202) 523-4000.

This matter will remain confidential in accordance with 2 U.S.C. Section 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

MUK 643 - D. Brown

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

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

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

2. ARTICLE ADDRESSED TO:
   Ms Joann Saunders
   8223 Dr. Crain Court
   Alex, Va.

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	947822	

(Always obtain signature of addressee or agent)

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

Connie Elliott

4. DATE OF DELIVERY: 8/5/78

POSTMARK: AUG 15 1978

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

★ GPO : 1977—O-234-237

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

July 31, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Dorothy A. Shultz
909 Oak Drive
Leesburg, Florida 32748

RE: MUR 642

Dear Ms. Shultz:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that you made a contribution of $20,000 to Ms. JoAnn Saunders during her candidacy for the Congressional seat of the 5th District of Florida on September 20, 1976, in violation of 2 U.S.C. §441a(a)(1)(A). We have numbered this matter MUR 642.

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

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Duane Brown, the attorney assigned to this matter at (202) 523-4000.

This matter will remain confidential in accordance with 2 U.S.C. Section 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

MUK 642 - D Brown

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:
   Mrs. Dorothy Shultz
   904 Oak Drive
   Leesburg, Fla. 32748

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943924	

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY 8-3-78

5. ADDRESS (Complete only if requested)
   904 Oak Dr
   Leesburg FL 32748

6. UNABLE TO DELIVER BECAUSE:

POSTMARK
LEESBURG FL
AUG 3 1978

CLERK'S INITIALS

☆ GPO : 1977—O-234-537

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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Dorothy A. Shultz
909 Oak Drive
Leesburg, Florida 32748

RE: MUR 642

Dear Ms. Shultz:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that you made a contribution of $20,000 to Ms. Joann Saunders during her candidacy for the 8th Congressional seat of the 8th District of Florida on September 20, 1976, in violation of 2 U.S.C. §441a(a)(1)(A). We have numbered this matter MUR 642.

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

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Duane Brown, the attorney assigned to this matter at (202) 523-4000.

This matter will remain confidential in accordance with 2 U.S.C. Section 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. JoAnn Saunders
8223 Dr. Craik Court
Alexandria, Virginia

RE: MUR 542

Dear Ms. Saunders:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe, that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that you accepted a contribution of $20,000.00 from Ms. Dorothy Shultz on September 20, 1976, during your candidacy for the Congressional seat in the 5th District of Florida, in violation of 2 U.S.C. §441a(a)(1)(A). We have numbered this matter MUR 542.

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

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after receipt of this notification.

If you have any questions, please contact Duane Brown, the attorney assigned to this matter at (202) 523-4000.

This matter will remain confidential in accordance with 2 U.S.C. Section 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

7 9 0 4 0 1 4 0 1 4

If you intend to be represented by counsel in this matter, please have such counsel so notify me in writing.

Sincerely,

William C. Oldaker
General Counsel

7904014042

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 642 (78)
Ms. JoAnn Saunders)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on July 28, 1978, the Commission determined by a vote of 4-0 to adopt the recommendation in the First General Counsel's Report dated July 26, 1978 to take the following actions in the above-captioned matter;

1. Find reason to believe that JoAnn Saunders and Dorothy Shultz violated 2 U.S. C. §441a(a)(1)(A).

2. Send the letters attached to the First General Counsel's Report.

Voting for these recommendations were Commissioners Tiernan, Harris, Staebler and Springer.

Marjorie W. Emmons

Date: 7/28/78

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 7-26-78, 9:43
Circulated on 48 hour vote basis: 7-26-78, 11:00

7904010143

July 26, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 642

Please have the attached 7 day report on MUR 642 distributed to the Commission on a 48 hour tally basis.

Thank you.

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FEDERAL ELECTION COMMISSION

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL BY OGC TO COMMISSION JUL 26 1978

MUR NO. 642 (78)
STAFF MEMBER Duane Brown

SOURCE OF MUR: Inspector General
U.S. Department of Agriculture

RESPONDENT'S NAME: Ms. JoAnn Saunders

RELEVANT STATUTE: 2 U.S.C. § 441a(a)(1)(A)

INTERNAL REPORTS CHECKED: Candidate/Committee Reports

FEDERAL AGENCIES CHECKED: None

GENERATION OF MATTER

This matter was officially referred by Thomas McBride, Inspector General, U.S. Department of Agriculture, and received by the Commission on July 3, 1978. Inquiry into this matter was based initially on a letter dated May 19, 1978, from Ms. Dorothy A. Shultz of Leesburg, Florida. In her letter, Ms. Shultz alleges that she loaned Ms. JoAnn Saunders $20,000 on September 20, 1976, during which time Ms. Saunders was a candidate for a seat in the House of Representatives from the 5th Congressional District of Florida. Ms. Shultz states that the loan was made in support of the candidacy of Ms. Saunders. Ms. Shultz substantiates her claim with copies of two notes signed by Ms. Saunders on September 20, 1976, totaling $20,000. Ms. Saunders loaned her campaign committee $10,000 on September 21, 1976.

PRELIMINARY LEGAL ANALYSIS

2 U.S.C. §431(e)(1) defines a "contribution" as:

(1)[A] gift, subscription, loan, advance, or deposit of money or anything of value for the purpose of -

(A) influencing the nomination for election, or election, of any person to Federal office...(emphasis added)

Both complainant and respondent in sworn statements agree that $20,000 was given by complainant to respondent. Ms. Shultz calls it a loan;

Ms. Saunders calls it a gift. Either way, the giving of such an amount would constitute an excess contribution in violation of 2 U.S.C. §441a (a)(1)(A).

RECOMMENDATION

1. Find reason to believe that JoAnn Saunders and Dorothy Shultz violated 2 U.S.C. §441a(a)(1)(A).

2. Send attached letters.

7 9 0 4 0 1 4 0 1 4 6

FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. JoAnn Saunders
8223 Dr. Craik Court
Alexandria, Virginia

RE: MUR 642

Dear Ms. Saunders:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that you accepted a contribution of $20,000.00 from Ms. Dorothy Shultz on September 20, 1976, during your candidacy for the Congressional seat in the 5th District of Florida, in violation of 2 U.S.C. §441a(a)(1)(A). We have numbered this matter MUR 642.

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

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after receipt of this notification.

If you have any questions, please contact Duane Brown, the attorney assigned to this matter at (202) 523-4000.

This matter will remain confidential in accordance with 2 U.S.C. Section 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

7908110167

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Dorothy A. Shultz
909 Oak Drive
Leesburg, Florida 32748

RE: MUR 642

Dear Ms. Shultz:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that you made a contribution of $20,000 to Ms. JoAnn Saunders during her candidacy for the Congressional seat of the 5th District of Florida on September 20, 1976, in violation of 2 U.S.C. §441a(a)(1)(A). We have numbered this matter MUR 642.

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

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Duane Brown, the attorney assigned to this matter at (202) 523-4000.

This matter will remain confidential in accordance with 2 U.S.C. Section 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE INSPECTOR GENERAL
WASHINGTON, D.C. 20250

OFFICE OF AUDIT

OFFICE OF INVESTIGATION

JUL 3 1978

Mr. William Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20005

Dear Mr. Oldaker:

The attached investigative report with attachments, pertaining to Ms. Jo Ann Saunders, is provided for your review and appropriate action. Special Agent Michael Tauber of this office contacted Assistant General Counsel Bradley Litchfield during the course of the investigation, and Mr. Litchfield suggested that a compliance review might be appropriate to determine if any violations of the Federal Election Laws had occurred.

Ms. Saunders' temporary appointment to the Department of Agriculture has terminated. She made an oral request for access to this file under the Freedom of Information Act but has been informed that this request must be denied until all legal and administrative actions are resolved.

I shall appreciate information regarding the results of your review and any actions contemplated so that we are in a position to know when any subsequent FOIA request by Ms. Saunders should be honored. If we may be of any assistance in this matter, please contact me directly.

Sincerely,

Thomas F. McBride

THOMAS F. McBride
Inspector General

Attachment

7901010150

WASHINGTON, D.C. 20250

Reply to Attn of: 2901-0

JUN 23 1978

Subject: JO ANN SAUNDERS

To: Thomas F. McBride
Inspector General

This inquiry was initiated on the basis of a letter, dated May 19, 1978, from Mrs. DOROTHY A. SHULTZ, 909 Oak Drive, Leesburg, FL, to the Secretary in which Mrs. SHULTZ alleges JO ANN SAUNDERS, presently an employee of the U.S. Department of Agriculture, borrowed $20,000 from her on September 20, 1976, while SAUNDERS was seeking election as a representative for the 5th Congressional District of Florida. SAUNDERS promised to repay this loan within 90 days; however, none of the debt has been repaid.

On June 2, 1978, Mrs. SHULTZ furnished a sworn signed statement in which she advised substantially as follows:

> She became acquainted with SAUNDERS in 1976 when SAUNDERS was the Democratic candidate for Representative for the 5th Congressional District of Florida.
>
> Sometime prior to September 20, 1976, SAUNDERS requested a loan of $20,000 because of a problem she was having with the Florida Ethics Commission. On September 20, 1976, she loaned SAUNDERS $20,000 for which SAUNDERS signed notes promising to repay the money in 90 days at 6 per cent interest.
>
> She brought a civil action in the U.S. District Court for the Eastern District of Virginia to recover the money. SAUNDERS furnished a deposition in this matter in which she was untruthful. Shortly after SAUNDERS made this deposition she filed a petition of bankruptcy in the Federal court in Alexandria, VA.
>
> At no time did she tell SAUNDERS that this loan of $20,000 was a gift.

Mrs. SHULTZ further orally advised:

> Sometime during October 1976 she contributed $260.00 to the JO ANN SAUNDERS Campaign. She made this contribution by several checks; however, she does not know where the cancelled checks are at the

present time. The ORLANDO SENTINEL STAR of October 24, 1976, reported her contribution at $220.00.

GORDON H. SAVAGE, attorney, 200 N. 3rd Street, Leesburg, FL, on June 1, 1978, furnished copies of the following items:

Cashier's check of the Citizens National Bank, dated September 20, 1976, payable to DOROTHY A. SHULTZ in the amount of $10,000. On the reverse side the endorsements were "Dorothy A. Shultz," "For Deposit Only" and "Jo Ann Saunders."

Check of the First Federal Savings and Loan Association of Lake County, dated September 20, 1976, payable to DOROTHY A. SHULTZ in the amount of $10,000. The endorsements on the reverse side were "Dorothy A. Shultz," "For Deposit Only" and "Jo Ann Saunders."

Note, dated September 20, 1976, bearing a signature "Jo Ann Saunders," which promised to pay DOROTHY A. SHULTZ the sum of $10,000 60 days after the date with interest at the rate of 6 per cent.

Note, dated September 20, 1976, bearing a signature "Jo Ann Saunders" which promised to pay DOROTHY A. SHULTZ the sum of $10,000 90 days after the date with interest at the rate of 6 per cent.

Partial deposition of JO ANN SAUNDERS, defendant, taken on behalf of DOROTHY A. SHULTZ, plaintiff, in a civil action in the U.S. District Court for the Eastern District of Virginia.

SAVAGE advised that the Florida State Ethics Commission had information concerning SAUNDERS as some questions had been raised about her finances during the 1976 Congressional race in the 5th District of Florida.

RICHARD L. CYS, attorney, Suite 507, 1660 L Street, N.W., Washington, D.C., on June 21, 1978, furnished the following:

Deposition of SAUNDERS (pages 61 through 119).

Copy of certificate, undated, acknowledging receipt of a contribution of $260.00 for the SAUNDERS' campaign.

CYS advised:

He represents Mrs. SHULTZ in the civil action brought under the uniform code of the State of Florida. He deems the case a simple matter of a loan being made with promissory notes to repay the loan.

The civil suit, which is in the United States District Court for the Eastern District of Virginia, Alexandria, VA, is being held in abeyance pending the outcome of the petition for voluntary bankruptcy filed by SAUNDERS.

While he will fully cooperate, he feels that there is certain information he has that he cannot disclose because of the client-attorney relationship. However, the documentation referred to in the deposition of SAUNDERS will be furnished if needed.

Review of the complete deposition of SAUNDERS, furnished by SAVAGE and CYS, disclosed substantially as follows:

She has known Mrs. SHULTZ since 1974. On September 20, 1976, she received two checks from Mrs. SHULTZ totaling $20,000. She signed two notes, prepared by her secretary, WINNIE SEMON, promising to repay Mrs. SHULTZ the $20,000. She signed these notes because she thought it was the proper thing to do. However, she maintains that Mrs. SHULTZ told her the money was a gift and to use it however she saw fit and not to worry about repaying it. She acknowledged the signatures "Jo Ann Saunders" on the two checks and the two notes to be her signature.

Examination of the records of the United States District Court for the Eastern District of Virginia, 200 S. Washington Street, Alexandria, VA, furnished by the clerk of the court, disclosed the following:

DOROTHY A. SHULTZ, plaintiff, v. JO ANN SAUNDERS, defendant, Civil Action No. 77-858-A was on file, The case is pending.

March 10, 1978 the defendant's response to plaintiff was filed, which stated the plaintiff intended the money to be a "contingent loan or gift to support the defendant during her campaign for Congress."

April 5, 1978 bankruptcy filed.

April 12, 1978 Motion for Summary Judgment removed from the court docket.

April 19, 1978 Order filed. Action stayed until adjudication or dismissal of the bankruptcy action.

Examination of the records furnished by the clerk of the Bankruptcy Court, 206 N. Washington Street, Alexandria, VA, on June 19, 1978, disclosed:

Petition for Voluntary Bankruptcy was filed on April 5, 1978, # 78-248-A, in the name of DORIS JO ANN SAUNDERS; JO ANN SAUNDERS; Mrs. GEORGE E. SAUNDERS.

Three suits were pending at the time of filing:

1. U.S. District Court for the Eastern District of Virginia
   CA No. 77-858-A
   DOROTHY SHULTZ vs. JO ANN SAUNDERS
   Loan for campaign

2. Circuit Court, 9th Judicial District, Orange County, FL
   Nos. 75-2040 and 76-9937
   COMBANK OF WINTER PARK vs. JO ANN SAUNDERS
   Guarantor on business debt of BUILDING MOVERS, INC.

3. Circuit Court, 18th Judicial District, Seminole County, FL
   No. 76-125-CA-03-D
   Financial Indemnity Co. vs. JO ANN SAUNDERS
   Guarantor on performance bond of BUILDING MOVERS, INC.

Schedule A 1 - Creditor Having Priority - list the following:

Taxes owing - IRS - BUILDING MOVERS, INC. ID # 59-1111-859
Trustee, HOWARD CLIFTON
$21,412.77 - Unpaid withholding and SS taxes for company; contingent liability with other corporate officers - July 28, 1975

Schedule A 3 - Unsecured Claims Without Priority

A total of 23 claims are listed with debt totaling $443,425.49. One of the creditors listed was DOROTHY SHULTZ, Leesburg, FL; claim incurred September 20, 1976, in the amount of $20,000 as loan for political campaign evidenced by two $10,000 notes signed by the Bankrupt.

The debts listed totaled $464,838.26 and personal property was shown as $1,033.72.

A.J. NORTHRUP, Investigator, State of Florida Commission on Ethics, Room 2107, State Capitol, Tallahassee, FL, furnished the following:

Report of Investigation, dated September 27, 1976, of JO ANN SAUNDERS on a complaint that she failed to file a Statement of Financial Disclosure within the time period required by law.

Memorandum dated October 11, 1976, Prosecutor's Recommendation, which stated that based upon preliminary investigation, the Commission on Ethics finds probable cause to believe that Chapter 112, Part III, of the Florida Statutes was violated by JO ANN SAUNDERS.

Letter, dated May 20, 1977, from the Executive Director, Commission on Ethics, to the State Attorney, referring evidence of a possible commission of perjury or false swearing by Mrs. SAUNDERS, for further investigation.

No True Bill Presentment, dated August 10, 1977, in which the Grand Jurors, Circuit Court of the Second Judicial Circuit, Leon County, FL, did not find a probability of conviction to exist.

Code of Ethics for Public Officers and Employees, Chapter 112, Part III, Florida Statutes.

Order Granting Partial Summary Adjudication, dated December 21, 1976, issued by the United States District Court for the Northern District of Florida, Tallahassee, FL, in the case of JO ANN SAUNDERS, plaintiff, vs. DONALD REED, et al, defendants, in which U.S. District Judge WILLIAM STAFFORD found the defendants are entitled to judgment as a matter of law referring to the Florida Statutes.

Microfilm copies of local newspapers, DAILY COMMERCIAL, Leesburg, FL, and SENTINEL STAR, Orlando, FL, were reviewed for the period of August through December 1976. Articles appearing in these newspapers, in essence, disclosed:

There was a primary contest in the 5th Congressional District of Florida for the Democratic nomination to the House of Representatives in which five candidates took part. In the primary election, SAUNDERS received most of the votes; however, not a majority resulting in a runoff between SAUNDERS and MILLER NEWTON in which SAUNDERS was the victor. During this contest NEWTON alleged violation of the state election laws by SAUNDERS and subsequently a complaint was filed with the Florida Commission on Ethics. The Ethics Commission attempted to have SAUNDERS removed from the ballot; however, SAUNDERS filed suit in the Federal Court in Tallahassee and a temporary restraining order was issued preventing the Ethics Commission from acting to remove SAUNDERS from the ballot. In the general election on November 2, 1976, SAUNDERS was defeated for the office by incumbent Representative RICHARD KELLY. In December 1976, the Federal Court upheld the Ethics Commission's right to require financial disclosure statements, dismissing arguments raised by SAUNDERS.

Examination of the records at the Federal Election Commission, Public Records Section, 1325 K Street, N.W., Washington, D.C., disclosed there was a total of 26 reports listed as being submitted by JO ANN SAUNDERS FOR CONGRESS Committee. The following pertinent data was disclosed:

DOROTHY A. SHULTZ contributed a total of $210.00 to the Committee during October 1976.

On September 21, 1976, a loan in the amount of $10,000 was received by the Committee from JO ANN SAUNDERS.

An amount of $10,000 is shown as a debt or obligation of the Committee to JO ANN SAUNDERS.

BRADLEY LITCHFIELD, Assistant General Counsel, Office of the General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C., advised:

The law applicable to Federal Election Campaigns is contained in Title 2 of the United States Code. Section 441a states the limitation on contributions that may be made to a candidate for election to Federal office. The limit is $1,000. Section 437d (e) states the power of the Commission to initiate civil action shall be the exclusive civil remedy for the enforcement of the Act. Section 441j provides the criminal penalty for wilful violations of the Act.

A cursory review of the preliminary facts in this matter indicates there may have been a violation of 2 USC relating to the circumvention of the limitations on contributions.

He suggests that upon completion of the inquiry, if circumstances warrant, the matter should be referred to WILLIAM OLDAKER, General Counsel, Federal Election Commission, for a compliance review to determine if there were any violations of the Federal Election Laws.

Office of Public Communications, Federal Election Commission, furnished the following:

Booklet entitled "Federal Election Campaign Laws"

Federal Election Commission Regulations

The complete documention, as summarized in this memorandum, is being attached hereto.

for ROBERT F. SMITH
Acting Director
Security and Special Investigations Division

Attachments

Letter, dated May 19,1978, from DOROTHY A. SHULTZ

Sworn Signed Statement - DOROTHY A. SHULTZ

Checks and Notes Signed by JO ANN SAUNDERS

Contribution by DOROTHY A. SHULTZ

Deposition of JO ANN SAUNDERS

Report of Investigation & other Documents
State of Florida Commission on Ethics

Newspaper Articles

Federal Election Commission Reports

Federal Election Campaign Laws & Federal Election Commission Regulat

LETTER FROM MRS. DOROTHY A. SHULTZ

TO THE SECRETARY

7904014053

Leesburg Fla
May. 19, 1978

Mr Bob Bergam,
Agriculture Dept Secretary -
Mr Bergam -
Dear Sir -

You have in your dept a one Jelnor Saunders, who borrowed money twenty thousand dollars $20,000.00 from me Sept 20th 1976, with a promise to pay me within 90 days.

She was running for 5th dist congress was defeated by Dick Kelley.

She is now in the agri dept, and refuses to pay me my money.

I have entered a law suit against her, then she entered bankruptcy.

Mr Bergam, I am an old lady 68 years old have had heart surgery, She took my life savings. I worked hard, at a service station to save for a retirement. I trusted her, now she, tells Mr Richard L. Cope Esquire, my att there, I gave her the money, which is false

7904010159

Mr Cy has all notes she signed, am sure he would give you all information about this case.

I am writing you, asking for your help. Mr Burt Lanier, was discharged for cuing money. He admitted his fault, she is lying about her debt to me.

Could you possibly help me?

Sincerely
Marethy A. Shultz
909 Oak Drive
Leesburg Fla 32748

7904010160

[illegible]
709 [illegible] DN
Leesburg Fla 32748

ORLANDO, FL 328
PM
18 MAY
1978

Mr. Bob Bergam.
c/o Agriculture Dept
Washington, D.C. 20500

Personal

19101101064

SIGNED SWORN STATEMENT

MRS. DOROTHY A. SHULTZ

7 9 0 4 0 1 0 1 6 2

Leesburg, Florida

I, Dorothy A. Shultz, being first duly sworn on oath, make the following statement freely and voluntarily to Michael Tauber, Jr., who has identified himself to me as a Special Agent, Office of Investigation, United States Department of Agriculture, knowing that this statement may be used in evidence. I understand that this statement is not confidential and may be shown to any interested party. DAS

My full name is Dorothy A. Shultz and I reside at 909 Oak Drive, Leesburg, Florida. Because of a health condition I am unable to work and my income consists of my monthly Social Security and a monthly payment I receive from rental property.

I became acquainted with Jo Ann Saunders sometime in 1976, when she was the Democratic candidate for Representative for the 5th Congressional Distirct of Florida. I met her through the local Democratic organization.

Sometime prior to September 20, 1976 Jo Ann Saunders requested that I loan her $20,000. She was having a problem with the State of Florida Ethics Commission in Tallahassee, Florida, because she had lied about her finances. As I had recently sold some stocks at that time I was able to lend her this sum of $20,000 on September 20, 1976. On that day she signed notes promising to repay me the money in 90 days at 6 % interest. Shortly thereafter she sought an additional $2,500 from me, however I did NOT lend her the additional amount of $2,500. DAS

Dorothy A. Shultz

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As I was not able to be repaid for the loan of $20,000 on September 20, 1976, I brought a civil action to recover the money in the in the United Sates District Court for the Eastern District of Virginia. In relation to this action, she furnished a deposition to my attorney, Richard L. Cys, Washington, D.C. on March 27, 1978. She has not been thruthful in her answers in this deposition.

Shortly after this deposition she filed a petition of bankruptcy in the Federal Court in Alexandria, Virginia. and my attorney has presented my claim in this matter.

I am in no position that I am able to give anyone a gift in the amount of $20,000. Since my income is limited and I am in poor health I am in need of all available money. I will shortly undergo surgical procedures and I am therefore in dire need of money.

At no time did I tell Jo Ann Saunders that this loan of $20,000 was a gift.

I have read this typewritten statement consisting of three pages, and it is true, complete, and correct to the best of my knowledge and belief. I have made all necessary corrections and additions and have signed every page.

Dorothy A. Shulf

Date: June 2, 1978

Dorothy A. Shultz

DOROTHY A. SHULTZ

Subscribed and sworn to before me this 2nd day of June 1978.

Michael Tauber Jr.

MICHAEL TAUBER, JR.
Special Agent, OI, USDA

CHECKS AND NOTES
SIGNED BY
JO ANN SAUNDERS

7904010166

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF LAKE COUNTY

LEESBURG, FLORIDA
WILDWOOD, FLORIDA
CLERMONT, FLORIDA
EUSTIS, FLORIDA

No. 1802

SEP. 20 76

63-
6

PAY

TO THE ORDER OF

Dorothy A. Shultz

SUN FIRST NATIONAL BANK OF LEESBURG
LEESBURG, FLA.

SUN FIRST NATIONAL BANK
INSURED SAVINGS
LEESBURG, FLORIDA

100000 CTS

VOID AFTER 90 DAYS

AUTHORIZED SIGNATURE

⑈180236⑈ ⑆0631⑈0133⑆ 2 255 648 0⑈ ⑈0001000000

Dorothy A. Shultz
For Deposit only
Leland Saunders

⑆0401 0167

CA/B

63-521
631

citizens national bank

№ 151493

Dorothy A. Shultz LEESBURG, FLORIDA, Sept. 20 19 76

PAY TO THE ORDER OF -------Dorothy A. Shultz------ $10,000

CITIZENS NAT'L BANK 1000000 CTS Dol

CASHIER'S CHECK

B M Kyle

⑈151493⑈ ⑆0631⑈0591⑆ 0 00 701 3⑈ ⑈0001000000⑈

Dorothy A. Shultz
Fee for Notary
Sealing Expenses

63-10 631 12 966 12 966 63-10

DUE

$ _____

LEESBURG, FLORIDA _____ 19 26

_____ AFTER DATE _____ PROMISE

PAY TO THE ORDER OF _____

_____ DOLLARS

AT CITIZENS NATIONAL BANK OF LEESBURG, FLORIDA, For value received, with interest ~~above~~ _____ at the rate of _____ per cent per annum until paid.

The Drawer and Endorsers on this note severally waive presentment for payment, protest and notice of protest and non-payment of this note, and the time of payment may be extended from time to time until ultimate payment without the consent or discharge of any Maker or Endorser or any other person liable on this note directly or indirectly.

And should it become necessary to collect this note through an attorney, either of us, whether Maker, Security or Endorser on this note, hereby agree to pay all costs of such collection, including a reasonable attorney's fee.

No. _____ _____ (Seal)

Address _____ _____ (Seal)

DUE

$ _____

LEESBURG, FLORIDA _____ 19 26

_____ AFTER DATE _____ PROMISE

PAY TO THE ORDER OF _____

_____ DOLLARS

AT CITIZENS NATIONAL BANK OF LEESBURG, FLORIDA, For value received, with interest ~~above~~ _____ at the rate of _____ per cent per annum until paid.

The Drawer and Endorsers on this note severally waive presentment for payment, protest and notice of protest and non-payment of this note, and the time of payment may be extended from time to time until ultimate payment without the consent or discharge of any Maker or Endorser or any other person liable on this note directly or indirectly.

And should it become necessary to collect this note through an attorney, either of us, whether Maker, Security or Endorser on this note, hereby agree to pay all costs of such collection, including a reasonable attorney's fee.

No. _____ _____ (Seal)

Address _____ _____ (Seal)

CONTRIBUTION

BY

MRS. DOROTHY A. SHULTZ

7 9 0 4 0 1 1 0 1 7 0

JoAnn SAUNDERS

Congress 5th DIST. DEMOCRAT

This is the one that took my money

Contribute to the JoAnn Saunders Campaign and Receive a MONEY BACK GUARANTEE

Money Back Guarantee

JoAnn Saunders hereby Guarantees that she will represent the people of the Fifth Congressional District of Florida in the U.S. House of Representatives if elected. If the holder of this certificate is not satisfied, his/her money will be refunded.

Ron Sbuck, Treasurer

$ 260.00
Amount

6571

Bryan Hugo, Chairman

Volunteer

7904010171

805613

GEC # 4017

LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
609 QUEEN STREET
ALEXANDRIA, VIRGINIA 22314
(703) 549-5250

GEORGE F. WEST, JR.
W. JOHN McNALLY, III
MICHAEL McGETTIGAN
GREGORY L. MURPHY
N. CARR STOGNER, JR.

WASHINGTON OFFICE
1519 CONNECTICUT AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036

RECEIVED
FEDERAL ELECTION
COMMISSION
'78 AUG 23 AM 9:03

August 21, 1978

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR642
JoAnn Saunders

Dear Mr. Oldaker:

As a follow-up to our earlier telephone conversation and your letter of July 31, 1978 to Ms. Saunders, please find enclosed a copy of a letter forwarded to Robert O. Tyler, Trustee in Ms. Saunders' bankruptcy, clarifying my misstatement in her petition.

More specifically, you should understand that Dorothy Shultz was considered to be a warm personal friend of Ms. Saunders, practically considered as part of the family. Consequently, during the campaign Ms. Shultz devoted a great deal of time and personal attention to JoAnn Saunders. It was Dorothy Shultz who first suggested making a gift to JoAnn Saunders for her personal needs. Ms. Saunders rejected the generous offer of a gift on numerous occasions but later finally accepted it due to the persistence of Ms. Shultz. Although Ms. Shultz told Ms. Saunders not to worry about repaying the money since it was for her personally, Ms. Saunders thought it better to provide Ms. Shultz with promissory notes obligating her to reimburse the funds.

There was some indication by Ms. Shultz that she was also motivated by a desire to assist in bringing an end to adverse publicity circulating against Ms. Saunders and accordingly wanted to make a gift to her personally that might assist in thwarting the attacks in the newspapers. The primary motivation, however, seemed to come from the fact that Mr. and Mrs. Saunders were unemployed at the time of the campaign and Ms. Shultz was thus concerned about their personal welfare and was in such a sound

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financial position herself that she could afford to help them. Consequently, although given the notes by Ms. Saunders, Ms. Shultz indicated that she never intended to collect on them since the money was contemplated as a personal matter.

While you intimate in your letter of July 31 that there might be a possible violation of 2 USC §661A(a)(1)(A), which prohibits a person from making a contribution to a candidate in excess of $1,000.00, I might point out to you that Dorothy Shultz did in fact contribute to the campaign in October of 1976 but only in the amount of $210.00. Due to this special quasi-familial relationship that existed between Dorothy Shultz and the Saunders', and considering Ms. Shultz' concern for the personal well-being of JoAnn Saunders during the trying times of the campaign, it is our position that her gift (or loan, as Ms. Saunders preferred to consider it at the time, regardless of the waiver of repayment by Ms. Shultz), does not constitute the type of contribution contemplated under 2 USC §431(e)(1)(A). There is no evidence whatsoever that Ms. Shultz was motivated out of a desire to influence the election but, to the contrary, was solely concerned with the personal well-being of JoAnn Saunders. More importantly, this entire scenario and the close relationship of the parties amply demonstrates that JoAnn Saunders did not "knowingly and wilfully" commit any violation of the Federal Election Campaign Act.

Surprisingly, Ms. Shultz decided to file suit on the gift for which she was gratuitously given notes. That debt, amongst others, has put JoAnn Saunders into personal bankruptcy. Consequently, their personal relationship has been detrimentally affected and Ms. Shultz' recent statements alleging poverty appear to be borne more out of the sting of the bankruptcy and a vindicative desire to obtain a sympathetic ear from someone in the government rather than out of the truth of her financial condition.

Obviously, we are quite concerned about your on-going investigation since it is very detrimental to Ms. Saunders' future. We are willing to assist in whatever manner you might suggest so that we may bring this matter to a close. Accordingly, I look

forward to hearing from you should you have any further questions regarding this case. Please note for your records that my client's new address is 6317 Barrister Place, Alexandria, Virginia, 22307.

Very truly yours,

Gregory L. Murphy

GLM/dlt

cc: Ms. Doris JoAnn Saunders

7904017 1

LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
808 QUEEN STREET
ALEXANDRIA, VIRGINIA 22314
(703) 549-5250

GEORGE F. WEST, JR.
W. JOHN McNALLY, III
MICHAEL McGETTIGAN
GREGORY L. MURPHY
N. CARR STOGNER, JR.

WASHINGTON OFFICE
1519 CONNECTICUT AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036

July 28, 1978

Robert O. Tyler, Esquire
803 Prince Street
Alexandria, VA 22314

Re: Bankruptcy: Doris JoAnn Saunders
Bankruptcy No. 78-248-A

Dear Mr. Tyler:

Subsequent to the filing of my client's Voluntary Petition for Bankruptcy, it was brought to my attention by her that there was a misstatement as to the description on Schedule A-3 of a debt owed to Dorothy A. Shultz. Therein this office characterized it as a "loan for political campaign evidenced by two $10,000.00 notes signed by Bankrupt". Review of my own notes in this matter shows that I was the author of that description and my client now indicates to me that, in fact, the loans were made directly to her personally and not to her political campaign. Actually, at the time of the transfer of the funds there was an indication that the money was intended as a gift to Mrs. Saunders personally. However, she later signed promissory notes for the full $20,000.00 amount to the benefit of Ms. Shultz.

While this distinction does not seem important to the bankruptcy, I thought I would clarify it for your information and am willing to make a formal amendment to the Petition should you deem it necessary.

If you should have any questions with respect to this matter, do not hesitate to contact me.

With kindest regards, I am,

Respectfully,

Gregory L. Murphy

GLM/dlt

cc: Ms. Doris JoAnn Saunders

7904010175

LAW OFFICES
MURPHY, McGETTIGAN, McNALLY & WEST
609 QUEEN STREET
ALEXANDRIA, VIRGINIA 22314

FEDERAL ELECTION COMMISSION

21 AUG 1978

United States

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

ATTN: William Oldaker, Esquire

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#715
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FEDERAL ELECTION COMMISSION

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

M E M O R A N D U M

To: William C. Oldaker
General Counsel

From: Thomas J. Cooper Thomas J. Cooper

Date: July 26, 1978

Subject: Notice of possible conflict of interest or appearance thereof regarding MUR 642(78).

I wish at this time to notify you that prior to my employment in the Commission I was engaged in the consideration of matters that concerned the subject matter in this Matter Under Review.

For this reason, I wish to inform you in your role as Ethics Counselor that I shall refrain from discussing any aspect of this MUR with any Commission employee. I have made this decision in order to eliminate any possible appearance of a conflict of interest.

Naturally, 2 U.S.C. 437g already imposes a confidentiality restriction on me with respect to communications with persons outside the Commission.

I respectfully request that this notice be made part of the record of MUR 642(78).

Thank you for your attention to this matter.

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July 5, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 642(78)

Attached is phot of the referral from The Dept of Agriculture which is the basis for MUR 642. The referral was much too bulky to xerox and distribute to the members of the Commission. I have attached the referral memo instead. If the Commissioners have any questions, they may come to the Enforcement Docket and read the rest of the material.

Thank you.

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UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE INSPECTOR GENERAL
WASHINGTON, D.C. 20250

OFFICE OF AUDIT

OFFICE OF INVESTIGATION

JUL 3 1978

Mr. William Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20005

Dear Mr. Oldaker:

The attached investigative report with attachments, pertaining to Ms. Jo Ann Saunders, is provided for your review and appropriate action. Special Agent Michael Tauber of this office contacted Assistant General Counsel Bradley Litchfield during the course of the investigation, and Mr. Litchfield suggested that a compliance review might be appropriate to determine if any violations of the Federal Election Laws had occurred.

Ms. Saunders' temporary appointment to the Department of Agriculture has terminated. She made an oral request for access to this file under the Freedom of Information Act but has been informed that this request must be denied until all legal and administrative actions are resolved.

I shall appreciate information regarding the results of your review and any actions contemplated so that we are in a position to know when any subsequent FOIA request by Ms. Saunders should be honored. If we may be of any assistance in this matter, please contact me directly.

Sincerely,

Thomas F. McBride

THOMAS F. McBride
Inspector General

Attachment

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DEPOSITION

OF

JO ANN SAUNDERS

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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

DOROTHY A. SHULTZ	)	
Plaintiff	)	
	)	
v.	)	Civil Action No.
	)	77-858-A
JO ANN SAUNDERS	)	
Defendant	)	

Deposition of JO ANN SAUNDERS

Washington, D.C.
March 27, 1978

Pages 1 thru 60
(Partial Transcript)

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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

DOROTHY A. SHULTZ 909 Oak Drive Leesburg, Florida 32748 Plaintiff v. JO ANN SAUNDERS 8223 Doctor Craik Court Alexandria, Virginia 22306 Defendant	Civil Action No. 77-858-A

Washington, D.C.
Monday, March 27, 1978

Deposition of JO ANN SAUNDERS, defendant, taken on behalf of the plaintiff in the above-entitled action, at the offices of Verner, Liipfert, Bernhard & McPherson, 1660 L Street, Washington, D.C., pursuant to notice, beginning at 9:05 a.m., before Joseph D. Rogers, a notary public in and for the District of Columbia, when were present on behalf of the respective parties:

For the plaintiff:

RICHARD L. CYS, ESQ.,
Verner, Liipfert, Bern & McPherson
Suite 1000
1660 L Street, N.W.
Washington, D.C. 20036

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For the defendant:

JOHN T. SCHELL, ESQ.,
Peabody, Rivlin, Lambert & Meyers,
1150 Connecticut Avenue, N.W.
Washington, D.C. 20036

C O N T E N T S

WITNESS	EXAMINATION BY COUNSEL FOR PLAINTIFF	DEFENDANT
Jo Ann Saunders	3	

EXHIBITS

PLAINTIFF'S EXHIBITS	IDENTIFIED
No. 1	11
Nos. 2-A, 2-B, 3-A and 3-B	56

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P R O C E E D I N G S

MR. CYS: Ms. Saunders, will uoy please give us your full name?

MS. SAUNDERS: Doris Jo Ann Saunders.

MR. CYS: What is your address?

MS. SAUNDERS: 8223 Doctor Craik Court, Alexandria, Virginia

MR. CYS: How long have you lived there?

MS. SAUNDERS: About nine months.

MR. CYS: With whom do you reside at that address?

MS. SAUNDERS: My husband, George Saunders, and two daughters.

MR. CYS: What are their names?

MS. SAUNDERS: Kathy and Connie.

MR. CYS: How old are each of them?

MS SAUNDERS: Kathy is 19 and Connie is 16.

Whereupon,

JO ANN SAUNDERS

was called for examination by counsel for the plaintiff and having been first duly sworn by the notary public, was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE PLAINTIFF

BY MR. CYS:

Q Ms. Saunders, you are appearing here this morning pursuant to an agreement with your counsel to come into

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Washington, D.C. rather than to be in Alexandria, Virginia, is that correct?

A Yes.

Q Now, Ms. Saunders, and Mr. Schell, it is my plan to break at about 10:30 for 15 minutes and, of course, to break for lunch and, of course, to follow that in the afternoon if we need to.

If, at any time, you want to take a break for any reason, please go ahead and tell me at your convenience. We wiil be happy to do that. And if there is anything else that you would like or that you need, just let me know as we go on.

If you do not understand any of the questions that I ask, please ask me to repeat them and I will be happy to do that.

Let us begin by going to the document production schedule attached to the notice of deposition. I don't know if you have a copy with you. Why don't we just take them by reference to the numbered paragraphs.

Do you have any documents in reference to paragraph 1 of the production demand?

A No--

Q I am sorry. Did you say you have no documents that are responsive to paragraph 1?

MR. SCHELL: You have paragraph 1? Are you talking at the bottom of page 1?

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BY MR. CYS:

Q Under B, under document production demand. You are requested to bring with you today --

A I brought nothing with me today.

Q Well, all right.

But specifically my question is, do you have any documents that fall within the description of paragraph 1?

Counsel, I don't know if you can assist her or not.

MR. SCHELL: We did not bring any. We discussed it and we have no documents that are responsive. As I indicated in, I believe in her interrogatories, I believe you asked if there were any documents that would be used to support those statements, and I believe Ms. Saunders' answer was that there were none.

BY MR. CYS:

Q Okay. So as far as paragraphs 1, 2, 3, 4, 5 and 6 of the documents production demand are concerned, you have no documents that are responsive?

A That is correct.

Q Now, just for the sake of completeness, Interrogatory 4-A asks you to describe all documents upon which you based your denial, one of the requests for admission, and I have discussed that with Mr. Schell and asked him to supplement that answer if you could do so at this time.

MR. SCHELL: The question, I believe, was whether

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were any documents underlying one of the answers to interrogatories. We would indicate that there were none. We have no documents underlying the affirmative defenses.

Would you suffice to have this on the deposition record what the answer was, or would you like me to file an amended or supplemental response?

MR. CYS: No. This is acceptable. And paragraph 5 of the production demand actually repeats that. So I am sure the record is clear that you have no such documents to be produced.

BY MR. CYS:

Q Ms. Saunders, do you know a person by the name of Dorothy Shultz?

A Yes.

Q How long have you known her?

A Since about 1974.

Q How did you first meet her?

A In a political campaign.

Q Where and when did that occur?

A Lake County at a public function in 1974.

Q Is that in Florida?

A Yes. Lake County, Florida.

Q What was the nature of your conversation at that time, generally speaking?

A There would have been no conversation. It would have

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been strictly on a handshake basis, meet the candidate type thing.

Q Were you a candidate at that time?

A Yes.

Q What were you a candidate for?

A United States House of Representatives.

Q Did you actually participate in the election as a candidate?

A Yes, I did.

Q What was the result of the election?

A I was defeated in the general election.

Q When was that?

A In 1974.

Q Do you remember was it November 1974?

A Yes, it was.

Q Now, do you know approximately what month it was that you met Ms. Dorothy Shultz?

A No, I do not know.

Q Now, since the time you first met her until September 20th, 1976, approximately how many occasions did you see Ms. Shultz personally?

A I saw Ms. Shultz every time that I went to Lake County for any type of a rally or public function and/or to campaign on a one-to-one basis.

Q Approximately how many times was that?

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A Starting in July of 1976, I would say at least two to three times a month.

Q From the time toy first met in 1974 until July of 1976, approximately how many times did you see Ms. Shultz?

A I am sorry. Repeat the question.

Q From the time that you first met her in 1974 until July of 1976, approximately how many times did you see Ms. Shultz?

A Very few because after the defeat of the 1974 campaign I would have no reason to see her again.

Q Now, in the month of July 1976, if you recall, can you be more precise about the number of times you saw Ms. Shultz?

A Again I would have to say that it would be anywhere from two to three times a month depending on when we would go into Lake County to campaign.

Q Now, when you saw her in July of 1976, August of 1976, what were the conversations that you had with her?

A Well, Ms. Shultz would usually ride in our van that we would have if we were campaigning in that county and go with us from one public function to another. And it would be all types of conversations, as to how the campaign is going, how is the family, how are you holding up, et cetera.

Q Was she actually working in you campaign for you?

A Yes.

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Q As a volunteer?

A Yes.

Q How long would one of these trips in your van normally take?

A We usually would schedule at least half a day to a full day function in each county.

Q So is your answer that it would be a full day or half day that you would spend?

A A half to a full day. Some weeks it would be a half day, some weeks a full day depending on the schedule.

Q Would you describe a typical trip that you took with Ms. Shultz on one of these occasions in July or August of 1976?

A You would arrive at 5 a.m., have breakfast and dress and depart Orange County for Lake County, arriving in some designated place in Lake County usually for breakfast where Ms. Shultz would meet us. Us being the van driver and other volunteers from Lake County.

After the breakfast, usually you would blitz a shopping center.

Q What does that mean?

A It means that you would shake hands wherever it was prescheduled for the county and talk to voters within that county. Usually we would make scheduled stops to appointments that had been made previously, which would take us into lunchtime. Sometimes a lunch would be scheduled by one of the

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volunteers or the chairman of that particular county, possibly a reception in the afternoon, a dinner may be scheduled with supporters in the evening for fund raising. Then usually the Lake County Democratic Executive Committee meeting, and then back to Orange County.

Q What would Ms. Shultz do during the time that you were engaged in these activities?

A She would travel in the van with me.

Q When you made your appearances, what would she do?

A Well, Ms. Shultz was a very ardent supporter of mine. She would try to get as many votes as she could.

Q So she would --

A Introduce me to people and this sort of thing.

Q Did you ever visit at her home?

A Yes, I have.

Q How many times?

A On one accasion.

Q Has she ever visited in any of your homes?

A Yes, she has.

Q Where and when was that?

A In Orlando in late December of 1976.

Q Would you say that Ms. Shultz, in July and August of 1976, and September of '76, was a good friend of yours?

A Yes.

Q Was she a very close friend?

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A Yes.

Q Is she still?

A To the best of my knowledge, she is.

Q Ms. Saunders, I am going to ask that this sheet of paper be marked as Plaintiff's Exhibit 1 for the deposition, and you will see there copies of two notes which were also attached to the complaint in this case.

In your answers to the requests for admissions that we propounded, you said first that your signature appears on this note, is that correct?

A Yes.

(The document referred to was marked for identification as Plaintiff's Exhibit No. 1.)

BY MR. CYS:

Q Now, will you look at the note and tell me as to each note whether or not the handwriting that is on these notes is entirely your own?

A No, it is not.

Q Would you indicate what parts are not?

A The only part that is mine is the signature.

Q Whose handwriting is the rest?

A Winnie Semon.

Q How do you spell that last name?

A S-e-m-o-n.

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Q Do I understand that all of the other writing on the note, except for your signature, is that of Ms. Semon, is that correct?

A Well, Ms. Semon would have to attest to that. I know that that is my signature.

Q Now, again with reference to Exhibit 1, where and when did you sign these two notes?

A They were signed in a restaurant in Lake County, Florida on the date that appears on the note.

Q What date is that?

A September 20, 1976.

Q Who was present when you signed these notes?

A Dorothy Shultz, Winnie Semon and myself.

Q What was the name of the restaurant?

A Sambo's.

Q What was its address, do you recall?

A I do not recall the street that it is on.

Q Would you give an approximate location by description of the street it is near?

A It is down the street from the Boulevard Restaurant.

Q Again where is that?

A That would be leesburg.

Q Is that Florida?

A Yes.

Q What time of day did you sign these notes?

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A It would have been late afternoon.

Q Could you be more precise?

A Four o'clock.

Q How did you come to sign these notes?

What led up tp that act?

A I requested that my secretary fill out a note that I could sign for Ms. Shultz.

Q Who was your secretary?

A Winnie Semon.

Q What is her address, if you know?

A She lives on Windward Court in Orlando.

Q Why did you ask Ms. Semon to make out these notes?

MR. SCHELL: Excuse me. I don't believe she said that in the previous answer.

BY MR. CYS:

Q Who made out the note?

A Ms. Semon made out the note.

Q Did you ask her to make out the note?

A Yes, I did.

Q Why?

A Because I felt it was the proper thing to do.

Q Why is that?

A Because Ms. Shultz had just given to me $20,000.

Q When did Ms. Shultz do that?

A Prior to the -- me signing the note.

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Q When you say prior, what do you mean?

A I would say within the hour.

Q Where did that occur?

A In the restaurant.

Q Describe what Ms Shultz did.

A She sent the --

MR. SCHELL: Excuse me. The foundation, describe what she did when she gave the money or signed the note?

MR. CYS: She said she gave her money.

BY MR. CYS:

Q Did you understand the question?

A Why don't you repeat it?

Q Sure. I will be happy to.

You said that Ms. Shultz had given you $20,000, is that correct?

A That is correct.

Q And that it was approximately an hour or within an hour before you signed the note, is that right?

A That is correct.

Q Would you describe, please, what Ms Shultz did when she gave you the money?

A She handed me two cashier's checks, to the best of my recollection. She did not hand them to me. She handed them to my secretary because it was general policy that I would never accept money.

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Q Again your secretary was Ms. Semon?

A That is correct.

Q Now, what conversation did you have with Ms. Shultz at the time she gave you these checks?

A We talked about many things.

Q Would you tell me what they were, please?

A We talked about how we felt Lake County would go, whether it would go for the opponent or myself. We talked about the difficulties of a woman raising money, particularly in a conservative county. We talked about how hard everyone had worked in gathering petitions to get my name on the ballot because we did not have the money to pay the qualifying fee.

Q Did Ms Shultz say anything about why she was giving you the money?

A Yes. She told me it was a gift that I could use however I saw fit.

Q Did she say anything else about the money?

A She said that she hoped that it would help out a little bit.

Q Did she say anything about your repaying the money?

A She said that for us not to worry about it. She did not need it. That at one time she had been married to a doctor who I assume had died early in life and had left her some money, and she didn't need it. And she would like to see it go to a good use.

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Q Who was present when she siad those things?

A Winnie Semon.

Q Who else?

A Myself and Dorothy Shultz.

Q Anyone else?

A No, not at this particular meeting.

Q Right.

What else did she say about the money at the time that we are talking about?

A She told me she was not concerned about getting it ever paid back because she did not need it. She also told me she would tell me where she was going to put the note, and if anything ever happened to her that she didn't particularly want anybody to know that she and I had this agreement together.

Q What did she say about where she was going to put the note?

A She said that she would put them somewhere in her house.

Q Did she tell you where?

A Yes.

Q Where did she say?

A She said she would put them under the board in the floor of her house.

Q When you received the checks from Ms Shultz, what did you do next concerning the notes that are Exhibit 1 here?

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A I am sorry. Repeat the question.

Q Let me rephrase that.

When were these notes prepared with relationship to the time that you got the checks from Ms. Shultz?

A About an hour after I received the checks.

Q Did Ms. Semon have these notes with her at the time that you received the checks?

A Yes, she did.

Q Did you discuss that with her before you went to the restaurant?

A With whom?

Q Ms. Semon.

A Yes.

Q What were the nature of your discussions about these notes before you went to the restaurant?

A I asked her to please have some notes with her because if Ms. Shultz, as had previously wanted to do, was to give me money, I would like to in return give her a note for such a gift.

Q All right.

Let us back up to the very first time you and Ms. Shultz discussed her giving you checks in the amount of $20,000.

When did that occur?

A There was never a time when she offered to give me a check of $20,000.

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Q Did she offer to give you $20,000 at any time?

A Yes, or as much as I needed.

Q When was the first conversation you had about that with her?

A Sometime in early August.

Q Could you tell us, please, when it occurred, where it occurred, who was there and what was said?

A It would have been in the campaign van and she would always make a point to sit very close to me, and she was always suggesting that she had a considerable amount of money and would be willing to give it to me if I needed it.

Q Well, was that the first time she said that she would give you a considerable amount of money?

A I am sorry, sir. Repeat the question.

Q What I am trying to do, Ms. Saunders, is find out from you the first time that you had a conversation with Ms. Shultz concerning the gift of a large amount of money to you or giving you the large amount of money.

Can you pin down when this was?

A It would have been in August of 1976.

Q Who was present at the time?

A Just Dorothy Shultz and myself. I mean there was a gentleman in the van, but I am sure he did not overhear the conversation. We were in the back of the van.

Q What did you say to her?

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A I never had anyone offer to give me that amount of money before.

Q Is that what you said to her?

A I am sure something to that effect.

Q Did you say anything else to her?

A Well, I can remember being quite shocked.

Q Why?

A Because again I had never had anyone simply want to give me a gift of $20,000.

Q When did she first mention the figure of $20,000?

A She would always say that she had available cash when we needed it up to $20,000.

Q When is the first time she said that, to the best of your recollection?

A It would have been in August, sometime early August.

Q Can you remember any more clearly when?

A No.

Q Specifically as to the time she mentioned $20,000, where did the conversation occur?

A Usually we talked in the van, the campaign van, as we would be going from one place to another.

Q Was that the first time $20,000 was mentioned to you in the campaign van?

A To the best of my recollection. She had also been to our campaign headquarters in Orlando, and she may have mentioned

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it there.

Q Do you recall whether she mentioned it there or not?

A No, I do not. You must understand Dorothy was everywhere on the campaign. She was with us as much as she possibly could be when I was in Lake County.

Q How many times did you have a discussion with Ms. Shultz about her giving you $20,000?

A I would say almost every time I saw her she would offer. Whether it was two times a week or three times a month. Every time we went to Lake County.

Q What was your response to her on these occasions?

A Well, I was always very appreciative and I told her if it came to the point, if we needed it, that I would let her know, and this was our understanding that I was to do this, whether it be on a short notice or long notice or whatever.

Q Who, if anyone, overheard the conversations that you are talking about between you and Ms. Shultz about her giving $20,000 to you between the time she first mentioned it in early August and September 20, 1976?

A Winnie Semon and George Saunders.

Q Would you describe the occasions when Ms. Semon overheard those conversations or was a participant in those conversations?

A Ms. Semon also traveled with me to Lake County and would have been on one of those campaign trips into Lake

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County, or more than one, that she would have overheard this conversation.

Q Did you ever discuss Ms. Shultz' offer with Ms. Semon?

A Yes, I did.

Q How many occasions?

A I am sure perhaps every time Dorothy Shultz offered the money I discussed it with my secretary if she was along.

Q Do you recall?

A Do I recall what?

Q Do you recall how many times you discussed it with Ms. Semon?

A No, I do not.

Q Was it more than ten?

A It would have been every time that it was mentioned to me, I am sure.

Q Let us back up then.

Can you give us an approximate number of times that Ms. Shultz mentioned to you that she would give you $20,000?

A Every time I went to Lake County on a campaign tour, Ms. Shultz would usually bring up this. She would want to know how things are going, how we are managing, so on and so forth. And she would always offer to give me a large sum of money.

Q Then again --

A And if my secretary was with me, naturally I am sure

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that there would have been a followup conversation.

Q Approximately how many occasions did that conversation or conversations like it occur between August and September 20, 1976?

A If we went to Lake County twice a week, it occurred twice a week. If we went three times a month, it occurred three times a month. On every occasion that we were in Lake County is how often it occurred.

Q Are we talking about ten or more occasions?

A Between what date and what date?

Q I think it is clear, Ms. Saunders, that we are talking about the period from the time in early August of 1976 when Ms. Shultz first mentioned giving you $20,000, until September 20, 1976, during that time period were there ten or more occasions upon which Ms. Shultz mentioned giving you $20,000?

A I don't know if there is a way that we can check the records to find out how many visitations I went into Lake County, but that would be the proper way to do this. If you want a definite number of times because that is the only way that I can give you an honest answer is if I can tell you honestly how many times I was in Lake County would be to go back and check my campaign schedule.

If you have ever been in a campaign and you arise at five in the morning and don't get to bed until two in the

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morning, it is very difficult to remember how many times you were in that county when there is eight counties in a Congressional District.

Q Ms. Saunders, all I am asking you for is an approximation.

Is your memory sufficiently clear today so that you can give me an approximate number? Whether it is more than ten or less than ten or more than 20 or less than 20, or whatever. I just want an approximate number.

A I would say more than ten times.

Q Now, of those approximately ten or more times, on how many occasions was Ms. Semon present when Ms. Shultz mentioned the 20,000 figure?

A Half or less, approximately.

Q On how many of those ten or more occasions was Mr. Saunders present when Ms. Shultz mentioned this figure of 20,000?

A Two or three

Q Now, did you discuss with Ms. Semon this offer that Ms. Shultz had made of giving you 20,000?

A Yes.

Q Approximatley how many times did you talk with her about it?

A After each time that Dorothy Shultz would mention to me she was going to give me the money, I would discuss the money.

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Q What was the nature of your conversation with her?

A I asked Winnie on several occasions why a woman would want to give me 20,000.

Q What did Ms. Semon say?

A She would say to me, well, Jo Ann, she likes you very much, and I am sure she considers you like a daughter or daughter-in-law.

Q Did you and Ms. Semon say anything else about this offer?

A Well, Ms. Semon knew that I liked Dorothy very much. I considered her a very close and dear friend.

Q Did you discuss this offer of Ms. Shultz with your husband?

A Yes, I did.

Q On how many occasions?

A Every time that she would mention it to me, I would go home and would usually mention it to him late that evening.

Q Would you describe the conversations you had with him?

A I would say to George that I had met Dorothy that day and we had a very good day campaigning, or however it went, and that again I found it very uncomfortable when she would always bring up this thing about wanting to give me money, and I really didn't know how to react to it.

Q What did he say?

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A He again would say, well, she probably has no family and she considers you family, she has worked for you and your campaign and she likes you and considers you part of her family.

Q Was there anyone else present when you discussed this matter with your husband?

A Not unless it would have been Winnie in our office on occasion.

Q When you discussed this matter with Ms. Semon on any occasion, was anyone else present?

A Not unless it was George. This was at Dorothy's request.

Q Would you tell me about that request that she made?

A She just said it wasn't anybody's business. She didn't want anybody to know about it.

Q When did she say that to you?

A Every time I talked to her. She didn't want anybody to know about it.

Q When did she say that to you?

A Every time I talked to her.

Q When was the first time she said to you that it wasn't anyone else's business?

A The very first day she made the offer when we were in the van in Lake County.

Q On that occasion, would you tell us, please, as best you remember, exactly what she said to you?

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A She said that she had considerable amount of money that she did not need and she would like to give it to me. And if I recall the first time she said that, I was quite shocked and tried to end the conversation.

Q What did she say, if anything, about keeping her offer confidential?

A On every occasion she requested it to be kept confidential.

Q On the first occasion what did she say specifically about keeping it confidential?

A She put her arm around me and said, "Jo Ann, this is just between you and I."

Q What else did she say?

A I believe that is all she said.

Q What did you say?

A I am sure I responded, yes, Dorothy, I understand.

Q Now, when she mentioned to you on subsequent occasions that she wanted this to be between the two of you, what did she say?

A She preferred it ti remain just between she and I. She did not want anyone else to know that she had any money any place.

Q What did you say?

A Yes, Dorothy, I understand.

Q To your knowledge, did either your husband or Ms.

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Semon overhear her say that?

A Yes.

Q Who?

A Ms. Semon overheard her tell me that.

Q Do you remember when and where that occurred?

A Well, I know one day definitely was the day the transaction took place.

Q Would you --

A September 20, 1976.

Q Would you describe the conversation?

A She requested that this be kept strictly between herself, Dorothy Shultz, and very close campaign people, which would have been Winnie Semon and George Saunders and myself.

Q All right.

Now, where were you -- when you say she, first of all, I assume you mean Ms. Shultz?

A That is correct.

Q Where were you when she made that request?

A In front of Ms. Semon.

Is that what you are asking me?

Q Well, where physically? Were you at the Sambo Restaurant?

A Yes, we were.

Q Now, what caused you to go to the Sambo Restaurant on September 20, 1976?

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A Because Ms Shultz had made the offer and we were involved in a political campaign, and Ms. Shultz did not like some of the articles that had been appearing in the newspaper. She had called our office on several occasions requesting that we should meet, and she should loan me some money that I could use to -- for whatever I needed in the campaign.

Q Are these telephone conversations that we are talking about?

A Yes. She did call and I did see her.

Q When did she first call you concerning these newspaper articles?

A Well, to get the definite date, I would have to get the newspaper articles.

Q Well, approximately when?

A I would say the 10th of September.

Q Could you tell us what you said to her and what she said to you?

A She wanted me to come to Lake County to her house. She wanted to talk to me about giving me some money to use however I saw fit because again she didn't like some of the articles that were in the newspaper.

Q Did she say which paper?

A The Orlando Sentinel.

Q What did you say to her?

A On several occasions I told her not to worry about it,

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that that newspaper always reacted.

Q What, if you remember, did you say to her on the first occasion on September 10th, approximately?

A She wanted to cancel her newspaper, and I said that is great Dorothy, why don't you get a lot of your other friends to do the same.

Q Other than that, what did you say to her?

A I do not recall.

Q What did you say to her specifically about her offer to give you money?

A I told her that I did not want to take it unless it became an absolute necessity.

Q Now, approximately how many telephone calls did you have, telephone conversations did you have with Ms Shultz between approximately September 10, 1976, and September 20, 1976?

A Probably two or three.

Q As best you recall, when were these conversations?

A Are you referring to time of day?

Q First to the days and second to the time of day, if you can remember.

A I don't remember.

Q Do you have any idea as to the dates at all?

A No, I do not.

Q Would you, as best you can remember, describe what she said to you the second time she called you?

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A I believe that she had told me that she had cancelled her newspaper and had also made some phone calls to the Leesburg newspaper. She was very upset with what they had to say regarding the campaign. And again she made the offer to loan me money.

Q What did you say to her?

A A My usual comment was, Dorothy, I will not take it unless it is absolutely necessary. Let us just wait and see how things go.

Q Do you recall whether or not that is what you said to her on the second time that she called?

A I would say that is correct.

Q Do you recall anything else that you said to her or she said to you during the second conversation?

A No, I do not.

Q Would you tell us, please, as to the third conversation you had with her over the telephone what she said to you and what you said to her?

A If there was a third call, which I am not sure that there was, because there was either two or three, she probably requested that I come and meet her in Leesburg.

Q What did you say?

A I probably turned her over to my secretary to make those arrangements. I never made my own travel arrangements.

Q Did she tell you why she wanted you to come to

Leesburg?

A Again she probably told that to my secretary.

Q Did you discuss her offer of money again over the telephone?

A Dorothy always discuss money every time you talked to her.

Q We are talking about a telephone conversation that you had with Ms. Shultz at which time she asked you to come to Leesburg.

Now, during that conversation, did she mention money to you, to the best of your recollection?

A Again, as I said, every time you talked to Dorothy, she discussed money, and whether or not she could give me some money for the campaign or for myself or to be used, or for whatever I wanted to use it for.

Q Do you recall an occasion when she called and requested you to come to Leesburg and you told her to arrange that with your secretary?

A If there was a third phone call, and if Ms. Shultz had requested that, she would have made those arrangements through my secretary, yes.

Q Do you recall whether or not that occurred?

A Yes.

Q Do you have any idea when that occurred?

A It would have been prior to the 20th of September,

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1976.

Q Do you have any idea how long prior to the 20th?

A I would say it was on the 19th.

Q And will you tell us, please, everything you remember about the conversation you had with Ms. Shultz on that day?

A As I said previously, Ms. Shultz was always wanting to give me money, and I would usually request that she talk to my secretary to make any type of arrangements or travel so that we could meet if necessary. I am sure that that is what happened on that occasion.

Q Well, Ms. Saunders, you said that you told Ms. Shultz when you talked on the telephone and in person that you did not want to take money unless it became absolutely necessary, is that correct?

A That is correct.

Q On the 19th of September, did you say the same thing to Ms. Shultz over the telephone, to the best of your recollection?

A I probably discussed with Ms. Shultz the fact that I should talk this over with my campaign manager and the secretary to find out if it was necessary.

Q Why did you do that?

A Because the campaign manager was my husband. I always discussed personal matters with my husband.

Q Well, at the time on the 19th, had you, in your own

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mind, entertained the idea of accepting Ms. Shultz'offer?

A Yes, I had.

Q When did you first decide or first entertain that idea?

A To the best of my recollection, it would have been on about the 19th.

Q Why did that happen?

A Well, my husband was not working, and I obviously was not working, and we had some debts that we had to pay.

Q Now, do you recall what you said to Ms. Shultz about her offer on the 19th?

A I am almost absolutely sure I would have said, Dorothy, you will have to talk to Winnie and make some travel arrangements and a time and place when we can meet.

Q Did you tell her that the purpose of the meeting was to discuss her offer to give you $20,000?

A To the best of my recollection, yes.

Q What did she say to you?

A She did not say it to me, but she relayed it to my secretary that we should meet her sometime on the 20th, and I believe that the -- they were to get back with each other by telephone to work out a schedule.

Q Now, how do you know that?

A Simply because it took place on the 20th, and that is usually what happened within our office.

Q Do you remember having a conversation with Ms. Semon

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about what Dorothy Shultz told her on the 19th?

A Not on the 19th.

Q Did you ever have a conversation with Ms. Semon about what Ms. Shultz said to her over the telephone on the 19th?

A As to details, no.

Q Well, did you have any conversation?

A I am sure I must have went in the office and said, Winnie, when do we go to Lake County, or whatever you say to a person.

Q What did Ms. Semon say to you about meeting Ms. Shultz?

A If I recall correctly, I had a commitment on the morning of the 20th and could not go until the late afternnon of the 20th.

Q And so what was your discussion with Ms. Semon?

A There was never a discussion. Ms. Semon just automatically set my schedule.

Q Did you discuss with her when you would meet with Ms. Shultz?

A She would have known that because she would have set the appointment.

Q Did you know it in advance of the 20th?

A I knew that it was tentative depending on my schedule.

Q How did you know that?

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A How did I know that it was tentative?

Q Yes.

A Because I had talked with Dorothy.

Q All right.

And had you talked with Dorothy about meeting her tentatively on the 20th?

A If my schedule could be arranged and that Ms. Semon and she would work that out.

Q And when you said, or when you discussed with Ms. Shultz meeting her tentatively on the 20th, did you say, or did she say the purpose of the meeting was to discuss giving you $20,000?

A I am sure that Ms. Shultz said that she would make the arrangements at her bank to secure the money for me, yes.

Q And when she said that to you, what did you say?

A I expressed that I was appeciative of it.

Q So you accepted the offer, is that right?

A Yes.

Q Was that over the telephone as best you recall?

A To the best of my knowledge, yes.

Q Was that on the 19th?

A Yes.

Q Now, what did you say to Ms. Shultz at that time about paying the money back to her?

A There was never anything mentioned about paying the

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money back. I kept saying to Dorothy, Dorothy, I do not have a job, my husband is not working. Every cent I have is going into this campaign.

Q Was that on the 19th?

A It was every time I saw her.

Q Well, Ms. Saunders, if we can pleas -- let us focus on this conversation you had with Ms. Shultz on the 19th.

A I do not recall the 19th.

Q Well, do you recall a time when, over the telephone, Ms Shultz told you, as you have testified here, that she would arrange to with her bank to have this $20,000 for you, and you agreed with her that she should do that; do you recall that?

A Yes.

Q Do you recall approximately when that occurred?

A Every time I saw the woman, she would discuss this.

Q Well, Ms. Saunders, you didn't accept it every time, did you?

A No.

Q When did you accept it, as best you recall?

A The 20th of September 1976.

Q Ms. Saunders, you have said here under oath that you recall a tlephone conversation with Ms. Shultz?

A That is correct.

Q Now, in that conversation you agreed with her that she was going to pay you $20,000, isn't that right?

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A She was going to give me $20,000, yes.

Q Now, when did that conversation occur, to the best of your recollection?

A It would either have been the 19th or sometime on the 20th. I do not believe that I talked to her on the 20th because I had a commitment that I had to be somewhere else on the 20th in the morning.

Q All right.

Then, in this telephone conversation that we are talking about, apparently occurring on the 19th of September, what did you say to Ms. Shultz about paying the money back?

A There may not even have been any conversation about that because every time you would bring it up, she would say don't about it.

Q Ms. Saunders, to the best of your recollection, on this conversation on the 19th, what, if anything, did you or Ms. Shultz say about repaying the 20,000?

A To the best of my recollection, and I have told you, there may not have been any conversation. You must understand that we were going at a very fast pace from 5 a.m. to very, very early hours in the morning. And I could tell you here and now that when I did meet her in Sambo's Restaurant, she kept saying to me do not worry about it. Over and over again she said this.

Q I understand what you are saying, Ms. Saunders, and

let me just be clear that there are occasions, of course, when people do not remember things. That is common. And if you do not remember something, I can completely understand that.

But I am trying to establish to the best of your own recollection what the content of this telephone conversation was that you had with Ms. Shultz.

A I talked to her very little over the telephone. She would talk to my secretary on the telephone.

Q Well, Ms. Saunders, we have established there was a telephone conversation on the 19th apparently in wh ich you discussed with Ms. Shultz the giving of 20,000 to you, and I want to know from you in that conversation, to the best of your recollection today, what you said or what she said about repaying the money.

A And to the best of my recollection, it was not mentioned.

Q All right.

Now, what on that day did you say to her about receiving the money?

MR. SCHELL: On that day, you mean the 19th?

BY MR. CYS:

Q On the 19th?

A What do you mean about receiving the money?

Q Did you discuss the form of the payment, whether it was to be cash or check or money order? Did you discuss

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anything else about it, about receiving 20,000 from her?

A No, no.

Q During the conversation we are talking about on the 19th, did you discuss with her signing bank notes at the time you received them?

A I am sorry. Repeat the question.

Q During the conversation over the telephone on the 19th, did you discuss with Ms. Shultz your signing notes in exchange for receiving the 20,000?

A I do not recall that conversation.

Q Do you recall anything else that you and Ms. Shultz discussed over the telephone on the 19th of September concerning her giving you this 20,000?

A She was again very upset about the articles that appeared in the paper and she kept saying to me I hope this will help so those so-and-so newspapers will leave you alone.

Q Anything else?

A To my knowleige, no.

Q Now, after you had the telephone conversation with Ms. Shultz, did you discuss with Ms. Semon the meeting you were going to have with Ms. Shultz on the 20th?

A There would have been no reason to other than to just say let me know what my schedule is.

Q When did you first discuss getting bank notes with Ms. Semon?

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A To the best of my recollection, it would have been the morning of the 20th.

Q Would you describe that conversation, please?

A To the best of my recollection, I asked Winnie to take some notes with us so that I could sign them and give them to Dorothy.

Q Where would this conversation have occurred?

A In my campaign headquarters in Orlando.

Q Who else was present at the time?

A George Saunders.

Q Anyone else?

A No.

Q Didyou or Ms. Semon keep blank bank notes in your headquarters in Orlando?

A I would not know.

Q When you asked Ms. Semon to take bank notes with you, did you tell her where she would have to go to get them?

A No, I didn't.

Q Do you know where she did get them?

A No, I do not.

Q When you asked Ms. Semon to get the notes, why did you do that?

A Because I felt it was the proper thing to do.

Q Why was that?

A If someone is going to give you $20,000, I would

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assume that it would be my responsible duty to give someone a note for it.

Q Why is that?

A Would you not?

Q Why did you?

A As I stated before, because I felt it was the thing to do.

Q But why was it proper? Why was it the thing to do?

A Well, I think you would have to answer that. I told you because I felt it was the proper thing to do.

Q My question to you is why, in your mind, was it proper?

A Because I am not accustomed to anyone giving me anything without giving them something in return.

Q And the something that you gave them in return was your promise to repay it, wasn't it?

Wasn't that why you thought it was proper?

A No, sir, it was not.

Q Why not?

A Because she kept insisting that this was a gift to me and to do with it as I wanted. And if I couldN8t repay it, not to worry about it. Even my husband was against it to me, that it should come about like that.

Q When did you first see the blank notes that you signed, copies of which are Exhibit 1 to this deposition?

A Sambo's Restaurant.

Q When you first saw them, was there any writing on them or were they blank?

A They were blank.

Q Did you have any discussion with Ms. Semon about where she got them?

A No, I did not.

Q Between the time that you talked on the telephone with Dorothy Shultz on the 19th of September and the time that you met in Sambo's Restaurant on the 20th, did you have any other conversations with Dorothy Shultz?

A No, I did not.

Q To your knowledge, did Ms Semon?

A I would have no way of knowing.

Q To your knowledge, did your husband?

A I would have no way of knowing that either.

Q When you arrived at the Sambo's Restaurant on the 20th, you have said, as I recall, it was late afternoon, is that right?

A That is correct.

Q Would you tell us exactly what you did when you got there?

A We went in and sat down at a booth.

Q Who is the "we"?

A Dorothy Shultz, Winnie Semon and myself.

Q Did you meet Dorothy Shultz at the restaurant or somewhere else first?

A I met her somewhere else first.

Q Do you recall where?

A I believe it was in a parking lot of a bank.

Q What time was that approximately?

9 A I would only have to estimate between three and four.

Q Why did you meet her there?

A Because that is where my secretary had set up the meeting place.

Q And what, if any, conversation did you have with your secretary about meeting her in a bank lot?

A Nothing other than the fact that it was getting very late in the day and that we should meet her there prior to going to Sambo's.

Q Did you discuss the purpose for meeting her there with your secretary?

A Yes. Ms. Shultz was to have the money and to meet her there.

Q Who arranged that, for her to have the money? Who had discussed that with her, to the best of your knowledge?

A I assume she made her own arrangements.

Q But you never had discussed with Ms. Shultz meeting her in the bank lot where she would have the money?

A No.

Q When you got to the bank lot, was Ms. Shultz waiting for you?

A Yes, she was.

Q How were you traveling?

A I was in my secretary's car.

Q Who else was with you?

A Just my secretary.

Q Who was with Ms. Shultz in the bank lot, if anyone?

A No one.

Q Now, when you saw Ms. Shultz, what is the first thing you said to her, as best you recall?

A I am sure she embraced me, as she always did, and hello. how are you. General exchange that you would have when you meet someone.

Q Did you talk about money at that time when you first saw her?

A I believe she said she should hurry because the bank probably would be closing.

Q What did you take that to mean?

A That we should not stand there and have a big conversation.

Q What did you do next?

A I went with her, as she had suggested, and I had a seat in the waiting room of the bank, and she did whatever she had to do to get the check.

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Q When had she suggested that you go with her?

A She never made that suggestion to me. I assume she made those arrangements with my secretary.

Q You have said that you went with her as she had suggested?

A Well, we had been standing there in the parking lot. There was no prearrangement.

Q When you went to meet her at the parking lot, did you have an understanding that you were to go with her into the bank while she got $20,000? Was that your understanding?

A I am sorry. Repeat the question.

Q When you were going to meet Ms. Shultz in the bank parking lot, was it your understanding that you were to go inside the bank with Ms. Shultz while she got $20,000?

A When I was going to the bank, no, sir.

Q When is the first time that you learned she had suggested that you go into the bank with her?

A When we arrived at the parking lot.

Q How did you learn that?

A After the greeting, she asked me if I would go with her.

Q Do you recall exactly what she said?

A Not exactly, no, sir.

Q Is that the first time that you learned that you were going to go into the bank with her, that she wanted you

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to go into the bank with her.

A Yes.

Q Now, which bankwas this?

A I do not recall.

Q Do you recall whether or not it was the Citizens National Bank of Leesburg?

A I do not.

Q Do you recall where the bank is located?

A The bank that I went to is in Leesburg. Where it is located, I do not recall.

Q Do you recall what it looks like?

A To the best of my recollection, it is a low modern building.

Q Do you know if it has any other establishments other than the bank in it?

A No, I do not.

Q Do you know of any building near it that you recall?

A No.

Q Now, when you went into the bank with Ms. Shultz, where was Ms. Semon?

A To the best of my knowledge, she waited in her car in the parking lot.

Q When you went into the bank with Ms. Shultz, tell us, if you recall, what you said to her and what she said to you?

A Ms. Shultz seemed to be almost relieved that I would

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accept to take the money because she felt that the newspapers then would leave me alone. And she almost took this as a personal attack every time there would be an adverse article in the newspaper.

Q What did you say to her?

A I expressed a tremendous thank you to think that I had a friend that would be willing to give me 20,000.

Q Did you say anything else to her?

A I would say not in the bank because we were only there just a short time.

Q In the bank did you say anything to her about giving her notes?

A I do not recall.

Q When you were in the bank, what did you see Ms. Shultz do?

A She talked to a woman and introduced me to her, which I do not recall her name.

Q Can you describe the woman?

A I would say she was middle-aged and average size, rather blondish hair. And told the woman that I was going to be her representative in Washington and she wanted her to vote for me election day.

Q Ms. Shultz said that?

A Yes. That is usually how she introduced me to everyone.

Q What did the woman say, if you recall?

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A I believe the comment was you can count on my vote.

Q What, if any, conversation was there about money at that time with this woman?

A I do not recall.

Q What did the woman and Ms. Shultz and you next do?

A I believe the woman was just -- I don't know if she was a bank employee or not. They were just greeting each other, and then Ms. Shultz went on to the window of the bank.

Q What did you do when she was doing that?

A I sat in the chair by the door.

Q Where did the woman go?

A I don't recall.

Q What did you see Ms. Shultz do at the window?

A I am not sure that I saw her do anything because her back was to me.

Q What happened, what was the next thing that happened?

A We left the bank.

Q When she came back from the window to where you were, what, if anything, did she say to you or you to her?

A As far as I know, there wasn't any comment.

Q Did she give you anything?

A No, she did not.

Q Did you ask her if she had checks?

A No, I did not.

Q Before you had gone in the bank, had you discussed

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with Ms. Shultz whether she had cash or checks or money orders?

A No.

Q Had you discussed with her at all the form in which the money was going to be paid to you?

A No.

Q When you got back to the car, where was Ms. Semon?

A To the best of my recollection, I rode with Dorothy in her car and Winnie drove hers to the restaurant.

Q On your way to the restaurant, what did you say to Ms. Shultz and what did she say to you as best you recall?

A As I recall, it is a very short distance, and it was not a lot of conversation. She seemed to be relieved that I would accept the money and that it was no problem for her.

Q What else did you say or did she say?

A I don't recall anything else, talking about the campaign.

Q While you were in the car, did you say anything to her about giving her notes in exchange for the money?

A I do not recall.

Q Did you say anything to her about paying the money back?

A Yes. I kept saying, Dorothy, I don't know how I can ever pay this money back.

Q What did she say?

A She kept saying, honey, don't worry about it.

Q Now, when you got to Sambo's, was Ms. Semon there or was she behind you, if you recall?

A I don't recall. We could have both pulled up the same time.

Q Between the time you arrived at Sambo's and the time you went into the restaurant to sit in a booth, did you have any conversation with Ms. Shultz about the money, to the best of your recollection?

A No.

Q Did you talk to her about paying it back or digning notes?

A As I had said in the car, I said , Dorothy, I don't know how I will ever be able to pay you back, and she kept saying don't worry about it, honey.

Q Did she say anything else in the car or before you got into the restaurant about paying it back or not paying it back?

A No.

Q When you got in the restaurant, as I understand it, you went to a booth with Ms. Shultz and Ms. Semon, is that correct?

A That is correct.

Q Now, no one else was in the booth with you, is that correct?

A That is correct.

Q What happened when you got to the booth?

A We ordered coffee and I believe pie.

Q What conversation, if any, did you, Ms Shultz and Ms. Semon have about the 20,000?

A If I recall correctly, Dorothy and Winnie had a conversation about the newspaper articles, and Dorothy told Winnie that she hoped that when she gave this money that that would be the end of it because she didn't like to see me personally attacked in the newspaper. She said that I know Jo Ann is going to go to Washington.

Q She, who?

A Pardon me?

Q Who said that?

A Dorothy was saying to Winnie I know Jo Ann is going to go to Washington. She is going to be our next Representative there. She and Jimmy are going to go together.

Q She and who?

A Jimmy. She spoke of Jimmy Carter. To the best of my recollection, that was what they talked about.

Q Now, what conversation did you have with Ms. Shultz about the 20,000?

A Well, I was always very detailed to tell Dorothy that my husband was not working. He was full-time manager of the campaign and he was not getting a salary for this. Of course, I was not working. She would say to me don't worry about it,

I have more money than I need. I want you to take this and use it as you see fit. She said pay the rent, do with it whatever you need to do.

Q Now, what did you say to her when she said that to you in the booth in Sambo's at the time we are talking about?

A I said, Dorothy, I appreciate this very much. You have done more for me than my mother has ever done.

Q What did you say to her about paying it back while you were in the booth?

A I told her, I said, Dorothy, you know as long as George and I aren't working, we do not have an income, I don't know if I can ever pay you back. She would just keep saying, well, don't worry about it, honey. I have more money than I can ever use.

Q All right.

Now, did she give you the checks while you were there in the restaurant?

A I believe she laid them on the booth top, the tabletop.

Q What did she say when she did that?

A To the best of my recollection, she just said I hope this will help a little bit in some way.

Q What did you say at that time?

A Again I thanked her again.

Q What did you say about paying the money back at that

time?

A I told her I didn't know how I would ever pay her. I suggested that I sign a note and that we had brought a note to be signed.

Q Is that the first time that you mentioned the note to her?

A Yes.

Q What did you say to her?

A I told her that Winnie had some blank notes and that I would like for her to fill them out and I would be willing to sign them.

Q What did Ms. Shultz say?

A She said that was fine, ifthat was what I wanted to do.

Q What happened next?

A I signed the notes, I assume. To the best of my recollection.

Q Well, when you told Ms. Shultz you had notes and that you would sign them, and she said fine --

A Winnie had given her the notes prior, I do not know when. I know I had requested from Winnie to get some notes. Now, whether Winnie got them, whether Dorothy Shultz got them, I do not know. But I know when I wanted to sign the notes, if I recall correctly, Ms Shultz had them in her purse. I don't know whether Winnie gave them to her prior or what. But I had

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to request that those notes, whoever had them, to get them out on the table and let me sign them because I had another engagement that evening that I had to get back to Orlando for.

Q Is it fair to say that the first time you saw the notes they were in Ms. Shultz' purse, that they came from Ms. Shultz' possession, is that right?

A Yes.

Q Now, when Ms. Shultz produced the notes, were they blank or was there writing on them?

A I believe they were blank and Ms Semon wrote on them.

Q Now, when Ms. Semon wrote on them, what did you tell Ms. Semon about the notes, what did you tell her to write, if anything?

A To my knowledge, I didn't tell her anything.

Q What did Ms. Shultz tell her, if anything?

A To my knowledge, nothing

Q Do you recall having a conversation or hearing a conversation about the time on the notes, the time in which the money would have to be paid back?

A I do not recall.

Q Do you recall what conversation there was during the time Ms. Semon was filling the note out?

A I believe Ms. Semon asked her if 90 days would be all right to fill in, and I think Dorothy said it doesn't

matter.

Q Do you recall any conversation about 60 days?

A NO, I do not.

Q Now, you then signed these notes, as I understand it, is that right, the notes that are Exhibit 1 here to this deposition?

A That is correct.

Q And you gave the originals to Ms. Shultz, is that right?

A My secretary gave them to her.

Q In your presence?

A Yes.

Q And you do not now have the originals of the notes, right?

A I do not.

Q And since that time you haven't seen the originals, have you?

A I have not.

Q At the same time that you signed the notes, or shortly before or shortly after you received the check from Ms. Shultz, right?

A I received the checks prior to signing the note.

Q And those checks are represented by the copies that were attached to the request for admissions that you have seen, Exhibit 1-A, 1-B, 2-A and 2-B?

For the record, we are referring here to Plaintiff's Request for Admissions, filed February 7th

(The documents referred to were marked for identification as Plaintiff's Exhibits Nos. 2-A, 2-B, 3-A and 3-B.)

THE WITNESS: Yes.

BY MR. CYS:

Q And --

A Excuse me. Is it cold in this room or is it just me? I do not want to catch cold.

MR. CYS: Why don't we do this, why don't we take a break right now. We will have the temperature changed and if you would like coffee or hot tea or anything like that, we will be pleased to give it to you.

(short recess)

MR. CYS: Back on the record.

I have marked as Plaintiff's Exhibits 2-A and 2-B, with copies of the front and back of the bank check which was attached to the Plaintiff's Request for Admissions, filed February 7, 1978, and had marked as Exhibits 3-A and 3*b copies of the front and back of the bank check which were Exhibits 2-A and 2-B to Plaintiff's Request for Admissions, filed February 7, 1978.

BY MR. CYS:

7 9 0 4 0 1 1 0 2 3 7

Q Now, Ms. Saunders, picking up where we left off, these copies, as you have stated in your request for admissions, are true and accurate copies of the checks that you received from Ms. Shultz on September 20, 1976, is that correct?

A Yes. These look like copies of the checks that Ms. Shultz gave Winnie Semon.

Q Now, as I recall what you said, you said that Ms. Shultz put these checks on the table there in Sambo's Restuarant?

A That is correct.

Q When she did so, do you know whether or not she had signed the back of them, that is directing your attnetion to Exhibit 2-B and 3-B, do you know whether the signature Dorothy A. Shultz appeared on there at that time?

A To the best of my knowledge, she signed them and then turned them over and scooted them across the table to Ms. Semon.

Q All right.

Now, there is additional writing on Exhibit 2-B and Exhibit 3-B, which you have admitted is yours in the request for admissions, that the signature "For deposit only, Jo Ann Sauders."

MR SCHELL: Excuse me. Okay, I am sorry.

THE WITNESS: The only thing that I have written here is my signature.

BY MR. CYS:

7 9 0 4 0 1 4 0 2 3 0

Q Jo Ann Saunders?

A That is correct.

Q "For deposit only," as you see it on 2-B and 3-B is whose writing?

A I believe that to be Winnie Semon's.

MR CYS: I take it that, Mr Schell, you and Ms. Saunders want to amend your answer to the request for admissions at this point?

MR SCHELL: Yes, I believe we had admitted that both or --

THE WITNESS: I am assuming it is hers.

MR. SCHELL: We can straighten that out now. It is your testimony that it is only the signature is yours?

THE WITNESS: Yes.

MR SCHELL: We would like to amend.

BY MR CYS:

Q So do you recall when you put your signature on those checks, Ms. Saunders?

A I do not recall if it was in the restaurant or in the office.

Q After you signed them, to your knowledge, were they deposited in a bank account.

A Yes.

Q Subsequently you obtained the use and benefit of the 20,000 represented by those checks in some way, is that correct?

7 6 0 4 0 1 4 0 2 3 9

A Yes.

Q Now, going back to the conference you had in the Sambo's Restaurant when you signed the notes that are represented by Plaintiff's Exhibit 1, you understood that you were signing a promise to pay back the sum of $10,000 in 60 days and the sum of $10,000 in 90 days, did you not?

A Dorothy said do not worry about it. She said I will take these home and put them away, and nobody is going to know about it but you and I.

Q My questions is, you signed those notes, you understood that you were signing a promise to pay back $10,000 to Ms. Shultz in 60 days and $10,000 in 90 days, did you not?

A But I told her that there would be no way that I could do it because I had no income, and she said, yes, I understnad that.

Q Ms. Saunders, again my question to you is, when you signed those notes, you understood you were signing a promise to pay back $10,000 in 60 days and $10,000 in 90 days to Ms. Shultz, did you not?

A But I also understood --

Q Wait a minute.

Is your answer to that question yes?

A Yes. But I was not concerned about it because of what she had said to me.

Q There is nothing in those notes that you signed that

says anything about your not paying, if you didn't have enough money or anything of the kind, is there?

A It is not on the paper, no.

Q There is nothing in those notes that suggest that your promise to pay Ms. Shultz $10,000 in 60 days and $10,000 in 90 days was conditional upon anything, isn't that true?

A That is what anyone other than Winnie Semon, Dorothy Shultz and I could assume because they were not present at the conversation.

Q Now, since September 20, 1976, until the present time, Ms. Shultz has never in writing told you that you don't have to pay the money back to her, has she?

A No.

MR CYS: Mark that question.

2 0 4 0 1 4 0 2 4 1

BY MR. CYS:

Q As you were signing these notes, did you have any other conversation with Ms. Shultz or Ms. Semon about paying the money back other than what you testified to already?

A If I understand your question correctly, and I don't want to be nitpicking here, but you are asking me what the conversation was. I wrote my name. How long does it take to write your name? You are talking about split seconds. I mean I don't understand what you are getting at.

Q All right.

When you signed the notes, you then gave them to Ms. Shultz, is that correct, after you signed them?

A That is correct.

Q Now, when you gave them to Ms. Shultz, or any time thereafter, what did you say to her and she say to you about your obligation to repay them?

A In Sambo's Restaurant?

Q Yes.

A As I stated prior, I had said to her, Dorothy, I do not know when or if I could ever pay this back or how I could ever pay you back. It is a great deal of money. As you know, George is not employed. I am running for Congress. It takes a great deal of money to do this and to keep up our household, and she would say to me, don't worry about it, honey. I have got more money than I know what to do with. I don't need it

1 now. Take it and do with it what you wish.

2 Q Why didn't you write any of those conditions in

3 those notes when you signed them?

4 A To be honest with you, it never occurred to me.

5 Q What, if any, conversation, did you have with Ms.

6 Shultz about the obligation to repay the money after you gave

7 her the notes?

8 A At that time there wasn't any.

9 Q Now, how long a time were the three of you in Sambo's

10 Restaurant?

11 A I would only have to estimate 45 minutes to an hour

12 at the very most.

13 Q When you left, did you leave with Ms. Semon?

14 A Yes. We all left the restaurant together. But in

15 the Semon car I left, yes.

16 Q Was Ms. Shultz with you or did she take her own car?

17 A No. She took her own car.

18 Q When is the next time you discussed these notes,

19 Exhibit 1 to this deposition, with Ms. Shultz?

20 A The next time that I discussed it with her would

21 have been after losing the election, the general election in

22 November.

23 Q All right.

24 When and where did that discussion occur?

25 A In late December she was a guest in our home for

1 dinner one evening with Winnie Semon.

2 Q That is Ms. Shultz was there with Ms. Semon?

3 A Yes.

4 Q Who else was present?

5 A My husband, George Saunders.

6 Q What was the discussion you had about the note?

7 A Well, it was just prior to Dorothy leaving that

8 evening, and if I remember correctly, we were in the family

9 room, and my husband brought it up as to the fact that we not

10 only lost the election, we lost a considerable amount of money

11 and how we would pay it back or if we could. It was going to

12 be very difficult. She said don't worry about it. That was

13 about the extent of the conversation until she left that even-

14 ing, and we were standing on the front porch. And she put her

15 arm around George's waist and said I know you are worried about

16 this but, she said, I do not want you to be. She said I don't

17 care if I never get this money back.

18 Q Who was present when she said that?

19 A Winnie Semon and myself and George and Dorothy

20 Shultz, and she had started to walk down the drive with George

21 when she told him.

22 Q Had she ever said that to you in writing, that is,

23 I don't care if I ever get my money back?

24 A No.

25 Q Has she ever said anything like that to you in

1 writing?

2 A No.

3 Q What did you say to her when she said that?

4 A She was not talking to me. She was talking to

5 George.

6 Q Did you say anything?

7 A I didn't say anything to her.

8 Q Did your husband?

9 A He said, well, Dorothy, we want to get our lives

10 straightened out. We have gone through a lot in the last

11 year and we are going to be going to Washington and, hopefully,

12 Jo Ann and I will get a job with new Administration. And she

13 said, well, George, don't worry about it. I have those notes

14 put away and nobody is ever going to know about it but us right

15 here this evening.

16 Q Did your husband say that when you and he got jobs,

17 he would begin to pay her back?

18 A To my knowledge, that was never discussed.

19 Q Have you ever said that to Ms. Shultz or something

20 like that?

21 A I have said to her on many occasions, Dorothy, I

22 don't know how I will ever pay you back. And she would say

23 don't worry about it.

24 Q Have you ever said to her that you would pay her

25 back?

A I said I would like to.

Q Have you ever told her that you would try to establish a plan of paying the money back in installments?

A I believe that my husband has talked to her about this.

Q Is that your intention, to pay her back in installments when you can?

A My husband handles all the finances, and you would have to ask him that question. At this point, it looks very bleak, to be honest with you.

Q Bleak in what way?

A In being able to pay it back.

Q What is your intention in paying the money, in paying it back?

A I didn't accept it as a loan. I accepted it as a gift.

Q Do you intend to pay it back if you can?

A When someone gives you something, they usually do not expect it to be repaid. At this time, I cannot pay anything back that I do not have.

Q My question is, do you intend to pay it back if and when you have sufficient financial means to do so?

A If and when, yes.

Q Now, when we were talking earlier about the first time you saw the note, as I recall your testimony, you said

that note in blank came from Ms. Shultz in the Sambo Restaurant?

A I'm sorry. What was the question?

Q The blank note that you ultimately signed after they had been filled in first came from Ms. Shultz in the Sambo Restaurant, is that correct?

A Yes.

Q Now, prior to getting to the Sambo Restaurant, had you seen Ms. Shultz with those notes, had you seen her with them in the bank, for example?

A I do not recall.

Q Do you recall hearing her ask anyone about notes while you were in the bank?

A No, because I was at the front door waiting for her.

Q Ms. Saunders, how is the temperature for you now?

A It is better.

Q Is it still too cold? If it is, I will turn up the heat.

A No, I don't want to run everyone out.

Q Would you rather have it up higher?

A No. It is fine.

Q Now, when did you come to Washington?

A About January 17th.

Q Of 1977?

A Yes.

Q Who was with you when you came up here?

A I came with my husband.

Q Where were your daughters at the time?

A They were in Florida.

Q When did they come up here?

A One daughter came in April, and one came last July.

Q Do you have any other children?

A Yes, I do.

Q Where do they live?

A I have a stepson who lives in Florida, and I have a stepdaughter who lives in Michigan. I have a stepson who is in Virginia -- you have to pardon while I get them all straight here. I have a son who is in Chevy Chase, and I have a daughter who is at the University of Florida, and two daughters at home.

Q Are the two daughters at home enrolled in school in Virginia?

A Only the one.

Q The younger one?

A Yes.

Q What does the eldest do?

A She is working.

Q Where?

A She works for Sears.

Q In Virginia?

A Yes.

Q Now, since --

A Excuse me. Could I have a pencil and a piece of paper?

MR. SCHELL: You have no objection to it?

MR. CYS: No. It is perfectly all right.

THE WITNESS: I want to make some notes.

BY MR. CYS:

Q Ms. Saunders, you have written to Ms. Shultz about your notes since the time you signed them, haven't you?

A Yes.

Q And she has written to you, hasn't she?

A Yes.

Q Do you know where the letters are that she has written to you?

A I assume they are home in the file.

Q At home here in Virginia?

A Yes, unless John has copies.

MR. SCHELL: No.

BY MR. CYS:

Q Well, I am going to turn to the schedule of documents to be produced, that is the part of the deposition notice here, and invite your attention to paragraph 4, which asks you to produce all documents received by you or your husband from the plaintiff.

As I understand it --

A I am sorry. What did you ask me?

1 Q I am saying, and your lawyer can help you with this,
2 Ms. Saunders, I am saying that part of our production demand
3 required you to bring any documents as part of the production
4 demand that you have received from Ms. Dorothy Shultz.
5 A I am sorry. I do not know if I have any or not.
6 Q Did you look?
7 A I am sure my husband has. He wouldn't send me here
8 today without them if we had them.
9 MR. CYS: Mr. Schell?
10 MR. SCHELL: I don't have them, and I assume there
11 were none.
12 THE WITNESS: Because he takes care of those.
13 BY MR. CYS:
14 Q I understand what you are saying. But you have told
15 me here under oath that you think you may have the originals
16 of letters that you received from Ms. Shultz.
17 A I misunderstood your question.
18 What did you say to me? Let us start over again.
19 I was making notes and I should not have been because my mind
20 was not on what I was supposed to have been doing.
21 Q My question is, you have received letters from Ms.
22 Shultz since the time you have signed the notes that are
23 Exhibit 1 to this deposition, isn't that right?
24 A Perhaps a greeting card or something of that nature.
25 But I do not have anything to my knowledge at home.

Q My question is, then, have you looked at home to see whether you have copies of letters from Ms. Shultz?

A I have not, no, personally. But I am assuming that I do not have anything.

Q Has your husband looked to your knowledge?

A I do not know. I am sure that he has, or if we had anything he would have certainly given them to John.

MR. SCHELL: We understand that the burden is on us to search for the document. We can do a number of things. We can determine later if a search was made. If it was not, we can actually make a search and either have this continuing deposition or provide them really under Rule 36 as requests for production, either one.

MR. CYS: What I would propose is that at the conclusion of the proceedings that we adjourn the deposition so that you, in consultation with your client, you can assure yourself that you have no such documents covered by the production demand. If you do, if you would submit them no later than Wednesday or Thursday of this week, let us say Thursday, then after I receive them, I can determine whether we need to continue on.

THE WITNESS: If you are talking about correspondence with Dorothy, like greeting cards, some people keep them for years, and some throw them out.

MR. SCHELL: We will go forward and look, and if you

7 9 0 4 0 1 4 0 2 5 1

1 wish to reconvene, fine.

2 BY MR. CYS:

3 Q Now, Ms. Saunders, do you know an individual named

4 Gordon Savage?

5 A Yes, I do.

6 Q How do you know him?

7 A He has been a long time political friend of both my

8 husband and I.

9 Q Do you know him in his capacity as an attorney for

10 Dorothy Shultz?

11 A I believe Dorothy told me at one time that he repre-

12 sented her on some matter, yes.

13 Q Have you had conversations with Mr. Savage concerning

14 the notes that are Exhibit 1 to this deposition?

15 A Yes, at one time, I did.

16 Q What were the nature of those conversations? What

17 did you say and what did he say?

18 A Gordon called me and asked me the circumstances,

19 and then, on several occasions, he would say, well, you know,

20 I have been a friend of yours and George's for a long time. I

21 would just as soon not get involved in this.

22 Q What circumstances was he asking about?

23 A He was asking if Dorothy loaned money. He never, to

24 my knowledge, asked the amount. He may have asked my husband

25 over the telephone.

Q Did he ask you what you were going to do to repay it?

A I believe he did.

Q What did you say?

A I said, Gordon, I am broke. I don't know what I will do. We will do the best we can.

MR. CYS: Can we have this marked as Plaintiff's Exhibit No. 4.

(The document referred to was marked for identification as Plaintiff's Exhibit No. 4.)

BY MR. CYS:

Q Ms. Saunders, looking at Plaintiff's Exhibit 4, I see that you have there a copy of a letter. The writing is dated February 16, 1977, and if you will look at the second page you will see the signature and closing, "Very truly yours, Jo Ann."

That is your signature and writing, is it not?

A That is correct.

Q This is a copy of a letter that you wrote and mailed to Mr. Savage, is it not?

A That is correct.

Q Why did you write this letter, Ms. Saunders, referring now to Exhibit 4?

A To the best of my recollection, Gordon had called my

1 husband in Orlando and relayed to him that Dorothy had been in
2 to see him about the fact that she had some money problems and
3 she wanted to know how she could collect on some notes. Again
4 this is only being told to me by my husband. It was something
5 that Gordon had relayed to my husband.
6 Q You notice on page 2 you say, "I can understand
7 Dorothy's position and all I can say is it was never intended
8 to be this way."
9 A That is correct.
10 Q Now, what position were you referring to?
11 A Without wishing to embarrass Ms. Shultz in any way,
12 she had related to me that she had an alcoholic husband and
13 that he was putting great pressure on her to do some things
14 that she did not want to do. And I believe she had discussed
15 this with Mr. Savage also.
16 Q Is that the position you refer to?
17 A Yes.
18 Q You are not referring to her position that she wanted
19 the money back on the notes that you had signed?
20 A I am referring to the fact that her husband was
21 pushing her to buy him a new truck and to spend a great deal
22 of money that she did not want to do. And she had talked to
23 Gordon about this. And she said that she had told him that
24 she did not have any money and her husband kept saying, well,
25 I think you do, and so on and so forth. She had told Gordon

7 9 0 4 0 1 1 0 2 5 4

that she needed to collect part of the gift that she had given to me so that she could buy this truck for him without him getting suspicious.

Q Did she use the word "gift," to your knowledge?

A I am sorry, sir?

Q Did she use the word "gift" in discussing the matter with Mr. Savage or anyone else?

A I don't know what she discussed with him.

Q In your paragraph, you say "All I can say is it was never intended to be this way."

What did you mean?

A It was never intended that I would lose the election and it was never intended that she would go as far as it is today.

Q Did you mean that you never intended to do anything other than pay the money back?

A I am sorry, sir?

Q Isn't what you meant when you said that, that you never intended anything except to pay back the money?

A I never intended her to sue me for something that I accepted as a gift. She was talking legal matters when she went to Gordon Savage because Gordon told me and told my husband that he would not represent her in a case against us because we were too good friends.

Q On the first page of this letter, about halfway down,

1 you say, "I hope at that time I will know about a position and
2 can make definite plans on my finished obligations."
3 One of the financial obligations that you are refer-
4 ring to is the note attached to this deposition, isn't that so?
5 A No, sir. I had many and still have many financial
6 obligations.
7 Q Wasn't the note that you signed one of them that you
8 referred to? The notes that are Exhibit 1.
9 A I was telling Gordon that we had many financial
10 obligations.
11 Q And my question is, isn't the obligation evidenced
12 by the notes that are Exhibit 1, one of the obligations you
13 refer to in this letter?
14 A If that is the way you want to interpret it, yes.
15 Q I am asking you for your answer.
16 A No, because when she gave it to me, she gave it to
17 me as a gift, and I had other financial obligations that I had
18 to clear up. And Gordon was well aware of those. He has been
19 in many campaigns as we have.
20 Q You also say in that letter, on the bottom of the
21 page, "It was never my intention to hurt anyone."
22 A That is correct.
23 Q By that, didn't you mean that you fully intended to
24 pay back monies such as that you obtained from Ms. Shultz and
25 evidenced on the signature of Exhibit 1?

A No, sir, not entirely. When I say it was never my intentions to hurt anyone, by losing the election, I still had people in Florida, grown men that stood and almost cried because I lost the election, because of the person that won the election and is now in Washington.

MR. CYS: Can we have this marked as Plaintiff's Exhibit 5.

(The document referred to was marked for identification as Plaintiff's Exhibit No. 5.)

BY MR. CYS:

Q Now, looking at Exhibit 5, you have a copy of a handwritten letter, dated June 9, 1977, and at the bottom you see the closing, "Sincerely," and the signature "Jo Ann and George."

That is your writing, is it not?

A Yes, it is.

Q This is a copy of a letter that you wrote to Ms. Shultz on June 9, 1977, isn't it?

A Yes.

Q Why did you write this letter?

A Excuse me just a minute. I will read this if you don't mind.

Q Sure.

A I wrote it in response to a letter I am sure that I

7 9 0 1 0 1 0 2 5 7

had received from Winnie. It says in the opening paragraph, "I received a letter from Winnie today. She said you and she had talked."

Q The third full paragraph, you say, "Dorothy, let me assure you neither George nor I are working nor have we since we have been here. We do not own a car, nor any real estate. We even signed our house back to the bank. We are renting a place here."

A That is correct.

(8) Q You were telling her that because you knew that she wanted you to begin repaying on the note that you had signed, isn't that true?

A No. She had told Winnie that her husband was constantly hounding her for money and she didn't know where she would get it, because before she was able to take it out of a savings account, and she evidently didn't have money at her fingertips any more. And she was asking Winnie, you know, if I could give her some money so she could give it to her husband to buy a truck, or whatever he was wanting.

Q You were telling her that to let her know that you didn't have any money to pay her back?

A I was telling her period that I didn't have any money.

Q You don't say anything in this letter about the money being a gift, do you?

A I don't see anything about money period.

Q So the answer is you didn't say anything about the money being a gift, did you?

A No.

Q As a matter of fact, you have never in any writing to Ms. Shultz said that the original intent was that the money was supposed to be a gift, have you?

A I don't think we ever discussed it in writing period. That was the way she had wanted it.

MR. CYS: I am going to have this marked as Plaintiff's Exhibit 6, a letter, two pages, dated June 9, 1977.

(The document referred to was marked for identification as Plaintiff's Exhibit No. 6.)

BY MR. CYS:

Q Ms. Saunders, this is a letter, dated June 9, 1977, and on the second page you see the closing, "Sincerely, Jo Ann and George." That is your writing, is it not?

A Yes, it is.

Q This is a letter that you sent on June 9, 1977, to Mr. Savage, is it not?

A Yes, it is.

Q Why did you send this letter?

A Because Gordon had called me and wanted to know what Congressman I was working for in Washington. He heard rumors that I was and he was interested and had always been interested

1 in politics and wanted to know what was going on.

2 Q You said that you, in the first sentence, you said

3 that you would keep him informed of your progress here in

4 D. C.

5 Why were you doing that? Why did you say that?

6 A Because Gordon was interested in what I was going to

7 do here.

8 Q In the last paragraph of the first page, you say

9 "Let me assure you we don't own a car or any property. Our

10 home was signed to the bank in Winter Park along with all our

11 other real estate, which took years of hard work for George

12 and me to accumulate. It was not by choice that we are in a

13 financial situation such as we are."

14 You told him that because you wanted him to know

15 that you didn't have enough money to pay back Ms. Shultz,

16 didn't you?

17 A No. He asked me what our situation was because

18 there had also been some articles in the paper in Florida about

19 the Saunders and about the foreclosure and so forth on the

20 house. I just told him we didn't have anything. Sure, the

21 articles are true.

22 Q You told him that so that he would know that you

23 didn't have enough money to pay back Ms. Shultz, didn't you?

24 A I didn't have any money to pay anyone anything.

25 Q You were telling Mr. Savage because specifically you

1 didn't have enough money to pay back Ms. Shultz, isn't that
2 right?
3 A I told him that because we didn't have any money,
4 and if he had asked me for money to pay back Ms. Shultz, I
5 would have said, look, Gordon, Dorothy gave me that money to
6 use as I saw fit to use as a gift. I don't know if or ever I
7 will get myself in a good financial position again.
8 Q You didn't say anything in this letter about the
9 money from Ms. Shultz being a gift, did you?
10 A No, sir.
11 MR. CYS: I will have this marked as Plaintiff's
12 Exhibit 7.
13 (The document referred to was
14 marked for identification as
15 Plaintiff's Exhibit No. 7.)
16 BY MR. CYS:
17 Q This is a letter, dated July 26, 1977, and at the
18 bottom of it is -- this is a copy, and at the bottom you see
19 the signature, "Sincerely, George."
20 Do you recognize that to be your husband's handwriting?
21 A Yes, I do.
22 Q Did you see this letter before he sent it?
23 A Yes, I did.
24 Q What conversation did you have with your husband
25 about it?

1 A He had talked to me about Dorothy had called one
2 evening and was upset because I would not call her on a
3 regular basis. And she said talk to her like a family member.
4 She felt that I had moved up here and had forgotten her. So
5 I sat down and wrote a letter and I told her that I was very
6 busy and that I was going every day to get this job and I was
7 having interviews, and I did not want to run up a long distance
8 telephone bill to keep calling her all the time. She seemed
9 to be very interested if I was all right, if I was physically
10 and mentally all right. And she seemed to want a day-by-day
11 report because she was so used to talking almost biweekly when
12 we were in Florida, that she expected us to do the same thing
13 when we were here.
14 Q Isn't it a fact that your husband wrote this letter
15 with your agreement and in consultation with you because Ms.
16 Shultz had asked you pay back the money you owed her on the
17 notes?
18 A Ms. Shultz asked my husband over the phone if we
19 could send her some money because she was having some problems
20 with her husband.
21 Q Didn't she say that she wanted the money that you
22 owed her because of the notes you had signed and the money she
23 had given you?
24 A She said that she --
25 MR. SCHELL: I think we ought to lay a foundation.

1 That is hearsay. It would have to be what Mr. Saunders told
2 her she said.
3 MR. CYS: Fine.
4 BY MR. CYS:
5 Q Isn't that true?
6 A I'm sorry, would you repeat the question?
7 Q Yes.
8 Isn't it a fact that you and your husband agreed
9 that he should write this letter because Ms. Shultz had asked
10 him or you to pay money that you owed on the notes that you
11 had signed?
12 A She asked him if we could send her some money
13 because she was in need of it because her husband was giving
14 her a hard time. She had had surgery. Her dog had died. And
15 I can't begin to tell you what all else. I think her taxes
16 were due or something.
17 Q In the first paragraph of this letter, Ms. Saunders,
18 your husband says, "I am sorry that Jo Ann's letter upset you."
19 Was that the letter of June 9, 1977, that is
20 Plaintiff's Exhibit 5?
21 A I don't know, sir. I would send her postcards, and
22 so you would have to ask Dorothy what letter she is talking
23 about, to her.
24 Q In the second paragraph, your husband says, "We just
25 do not have our feet on the ground and can't tell you at this

1 time just exactly what she can do now on the note."

2 A That is what it says.

3 Q He is referring to the note that you signed on

4 September 20, 1977, isn't he?

5 A I assume he is. It doesn't state that here.

6 Q And the reason he is saying that is because you and

7 he discussed what, if anything, you could do to pay back the

8 money of Ms. Shultz, isn't that right?

9 A If we could help Dorothy by giving her some money,

10 we would have, because she was having some problems at that

11 time. She was having physical problems. She was having

12 problems with her husband, as she had told us over the phone.

13 Q You hadn't signed over any other notes to Ms.

14 Shultz, had you?

15 A No.

16 Q So the only note that Ms. Shultz would have that

17 would be relevant to you would be the note of September 20,

18 1976?

19 A We assume that is what she is referring to, yes.

20 MR. CYS: This will be Plaintiff's Exhibit 8 for

21 identification, Plaintiff's Deposition Exhibit 8.

22 (The document referred to was

23 marked for identification as

24 Plaintiff's Exhibit No. 8.)

25 BY MR. CYS:

Q Ms. Saunders, this is a letter dated the 10th of September, 1977, and at the bottom it has the closing, "Very truly yours, George."

Do you recognize that to be your husband's handwriting, do you not?

A Yes, I do.

Q And before he sent this letter, did you see it?

A No, I did not.

Q Did you discuss with your husband before September 10, 1977, the note that you had signed with Ms. Shultz and what you could do to bring that up to date? At any time right before this letter was written?

A No, sir.

Q In this letter your husband says, "After I receive those" -- referring to the notes -- "we will bring the interest up to date, and provide you with a plan to pay the notes."

Had you discussed with your husband submitting a plan to Ms. Shultz to repay the notes?

A I told George that if her problems existed as she told us, we ought to try and do something to get the woman some money.

Q You discussed with him submitting a plan to her to pay the notes, referring to the ones that you signed on September 20th?

A I cannot recall if it was before this letter or after,

1 sir.

2 Q You have had that discussion, a discussion like

3 that with your husband?

4 A Yes, I have.

5 Q And specifically discussed a plan to repay the notes

6 that you signed?

7 A A specific plan. He would have to work that out

8 because he handles all our financial matters.

9 Q You did discuss with your husband submitting a plan

10 to Ms. Shultz to repay the money?

11 A That is correct.

12 Q On the notes, is that right?

13 A That is correct.

14 MR. CYS: Have this marked as Plaintiff's Exhibit 9,

15 two pages, a letter, and an attachment.

16 (The document referred to was

17 marked for identification as

18 Plaintiff's Exhibit No. 9.)

19 BY MR. CYS:

20 Q Ms. Saunders, you have there a letter addressed to

21 your husband and dated, I believe, the 19th of September, and

22 it is from Mr. Savage, and attached to it are copies of the

23 notes, which are Plaintiff's Exhibit 1 to this deposition.

24 Have you seen that letter before?

25 A I do not recall for sure if I have or not.

Q Do you recall having a discussion with your husband in September of this year that he had received copies of the notes from Mr. Savage?

A I am sure that George was told that.

Q Do you recall having a discussion with him about that?

A I am sure that he received this. When he actually got them out and showed them to me, I am not sure.

Q Did you discuss with your husband these notes that he had received?

A He knows that I have been concerned about Dorothy's well-being, and I am sure that the -- that there was some conversation.

Q Did your husband tell you that he had gotten the notes so that he could bring the interest up to date or so that you could bring the interest up to date?

A I would say that he had never made that definite statement to me, no.

Q Had he said anything like that to you?

A I am sure he said that we need to clear up this matter and that he is concerned about Dorothy, as I have been.

MR. CYS: Could we have this marked as Plaintiff's Exhibit 10, please?

(The document referred to was marked for identification as Plaintiff's Exhibit No. 10.)

BY MR. CYS:

Q Referring to Plaintiff's Exhibit 10, it is a letter, dated October 6, 1977, addressed to you from me, is it not?

A Yes.

Q You recall receiving that letter?

A Yes.

Q That letter concerned the notes that are Deposition Exhibit 1 here, isn't that correct?

A That is correct.

MR. CYS: May we have this marked as Plaintiff's Exhibit 11?

(The document referred to was marked for identification as Plaintiff's Exhibit No. 11.)

BY MR. CYS:

Q You responded to the letter that I sent to you, didn't you, Ms. Saunders? You did respond to my letter of October 6, 1977, didn't you?

A Yes.

Q And Plaintiff's Exhibit 11 is a copy of the letter that you sent me, isn't it?

A Yes, sir.

Q This was your answer to a demand that I made on behalf of Ms. Shultz as my client for you to submit a plan to pay the notes, isn't that right?

A That is right.

Q In this letter you say that you're sure that you will have your affairs in order by January 15, 1978, and at that time you will submit a plan to me to pay the interest and principal due, isn't that correct?

A That is what it says.

Q And when you said that, of course, you meant it, didn't you?

A Yes, sir.

Q And you intended at that time, on or before January 15, 1978, to submit a plan and possibly to begin repaying the amounts that you owed, isn't that right?

A Yes, sir.

Q Now, at the top of the letter you have written your name and then Route 1, Box 164, Paw Paw, West Virginia.

A That is correct.

Q What is that address -- what property is that?

A We, my husband has a small interest in a piece of property there. And we go there on weekends.

Q What kind of property is it?

A It is an old farmhouse on some acreage.

Q Do you stay in the farmhouse when you visit?

A Yes, I do.

Q Does he?

A Yes, sir.

7 9 0 4 0 1 1 0 2 6 9

Q And the farmhouse, I take it, is perfectly comfortable and adequate for living, is that right?

A If you consider an outhouse comfortable and adequate, the answer is yes. If you don't, the answer is no.

Q Well, you listed it on this letter as an address of yours, didn't you?

A Yes, sir.

Q And doing so you meant it as a place that you would call a residence of yours?

A That is correct.

Q I see on the letter Route 2, Box 187, Brooksville, Florida.

A That is correct.

Q What is that property?

A That is a legal piece of property where I am registered to vote in Florida.

Q What do you mean, a legal piece of property?

A I do not own it.

Q Who owns it.

A Mr. and Mrs. Bob DeWitt.

Q How do you spell the last name?

A D-e-W-i-t-t.

Q What is their address, Mr. DeWitt's address?

A It is Broad Street, Brooksville, Florida, care of DeWitt Realty.

Q What is your relationship to Mr. and Mrs. DeWitt?

A They are my Hernando County Chairmen during the campaign and friends.

Q What property specifically is located at Route 2, Box 187?

A It is a mobile home that they have.

Q Who lives in it?

A I do if I am there. I can go there and stay if I am in Florida.

Q If you are not, who lives in it?

A No one, to my knowledge.

Q Do you pay any rent on it?

A No, sir.

Q Do you pay anything to the DeWitts for keeping it up?

A No, sir.

Q You have stated in your interrogatories that you do not own any real property yourself?

A That is correct.

Q Likewise is it also true that apart from the Paw Paw, West Virginia, property, your husband does not own any real property?

A That is correct.

Q Now, you called this Florida address a legal address. Will you explain what you mean by that?

A Well, I should say it is a voting address because I want to be able to vote in the Florida elections. I may some day want to go back there and run for office again. I just feel that it is important that I keep an address there.

Q You have no definite plans to go back to Florida, do you?

A Certainly, I have plans to go back to Florida. I have children there.

Q But as -- when are you going to go back, have you decided?

A If my husband runs for office, I will go back as soon as he announces, which will be July.

Q And if he doesn't run for office?

A Well, I would like to retire there. I may go back before then. It depends how long my job will last here in Washington.

Q At present your job is one you can keep indefinitely, is that right?

A No, sir, that is not true.

Q What is the nature of your job that you have?

A A consultant. This job is up for review on a yearly basis by the Civil Service Commission, and you can be terminated immediately if they so see fit.

Q Do you have a GS rating?

A Yes, sir, I do.

1 Q What is it?

2 A It is a GS-13.

3 Q You have no definite date on which your job termi-

4 nates, do you?

5 A Yes, I do.

6 Q What is it?

7 A June 15th.

8 Q It is subject to renewal though, isn't it?

9 A No, it is not.

10 Q Are you sure?

11 A I am positive.

12 Q In your interrogatories, you said that you pay state

13 taxes in West Virginia.

14 A That is correct.

15 Q You don't pay any state taxes in Florida, do you?

16 A No, I do not.

17 Q And do you not pay any in Virginia?

18 A We do not have a state income tax in Florida.

19 Q You don't pay any state income tax in Virginia, do

20 you?

21 A Not any longer, no.

22 Q Did you?

23 A Yes.

24 Q When did you?

25 A You would have to check the dates on that. I don't

1 know if it is listed.

2 MR. SCHELL: I don't think we listed the dates.

3 THE WITNESS: Look on the handwritten notes.

4 Do you want to repeat the question?

5 BY MR. CYS:

6 Q Yes. You said you paid state income tax in the

7 State of Virginia, is that right, at sometime?

8 A Yes.

9 Q When was that?

10 A It would have been prior to December of 1977.

11 Q All right.

12 And for what calendar year was this tax that you

13 paid, what was the purpose of the tax you paid?

14 A They withhold state tax for Virginia out of your

15 salary until you maintain another residence, if I understand

16 it correctly.

17 Q Have you filed your income tax returns for the

18 calendar year 1977 as yet?

19 A Yes, sir.

20 Q Did you file a Virginia State return?

21 A Yes, sir.

22 Q Did you file a West Virginia State return?

23 A I don't believe they took out taxes, sir, prior to

24 that year. Again my husband handles all our income tax. You

25 would have to ask him these questions.

Q How often do you visit the property of Paw Paw, West Virginia?

A I am there every week.

Q How long on an average do you stay?

A Usually from Friday through Sunday, and if I can get time off, it is longer than that.

MR. CYS: It is now noon. This is a good stopping point.

If we can reconvene at 12:15, if that is all right. I am now reasonably sure we are going to be through by 1:30.

(Short recess.)

BY MR. CYS:

Q Now, Ms. Saunders, just so the record is clear here, in your answer to the interrogatories, you said that you do not maintain trusts or bank accounts in any state, is that true?

A I have a joint checking account with my husband in the State of Virginia.

Q I take it you want to amend your answers to the interrogatories to reflect that.

Do I assume correctly?

MR. SCHELL: Do you?

THE WITNESS: We have a joint checking account.

MR. SCHELL: There is a joint checking account, and we would so amend it.

THE WITNESS: How was the question in the written --

BY MR. CYS:

Q The question said bank accounts.

A We assumed -- I am sure I meant savings.

Q The joint checking account is at what bank?

A The Virginia Bank.

Q In Alexandria?

A I believe that is considered Belle View.

Q Do you have any other checking or bank accounts?

A No, sir.

Q Does your husband?

A No, sir.

Q Do you own any stocks or bonds?

A I do not.

Q Does your husband?

A He does not.

(9) Q Do you have a safe deposit box?

A I do not.

Q Does he?

A To the best of my knowledge, he doesn't.

Q Do you rent the house that you are in now?

A Yes, we do.

Q Do you rent the furniture that is in that house?

A No, we do not.

Q Where are your personal belongings, your clothing and

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1 furniture located?

2 A 8223 Doctor Craik Court.

3 Q Are any of them in Paw Paw, West Virginia?

4 A Yes.

5 Q Generally speaking, would you describe what kind of

6 personal belongings you have in Paw Paw?

7 A Well, there would be a very small refrigerator, a

8 cooking stove, a table and some odd chairs, a bed and a chest

9 of drawers and the clothes that you would ordinarily wear in

10 the country.

11 Q Do you have any other personal belongings, personal

12 effects or property of any kind other than that which you

13 described at your Doctor Craik Court address and your Paw Paw

14 address?

15 A No, sir.

16 Q You have said in your interrogatory that you do not

17 own an automobile.

18 A That is correct.

19 Q Does your husband?

20 A No, sir.

21 Q Do either of your daughters?

22 A No, sir.

23 Q How do you get back and forth to work?

24 A I ride in a car pool.

25 Q How do you get back and forth to Paw Paw, West

1 Virginia?

2 A Usually with friends.

3 Q What are the names of the friends you go with?

4 A Ralph and Cheryl Pugh, P-u-g-h.

5 Q Where do they live?

6 A In Virginia.

7 Q Whereabouts?

8 A In Arlington.

9 Q Do you have an address?

10 A It is on 21st Street. I don't recall the house

11 number.

12 Q How long have you known them?

13 A Since 1974.

14 Q Would you call them good friends of yours?

15 A Yes, sir.

16 Q Are they your closest friends?

17 A One of my closest, I would say, yes.

18 Q Do they also have property in Paw Paw, West Virginia?

19 A Yes, sir.

20 Q Do they have an interest in the property in which

21 your husband has an interest?

22 A Yes, sir.

23 Q Do they often stay with you when you go to West

24 Virginia?

25 A Yes, sir.

Q Do you have any friends who live in West Virginia?

A Not close friends. I know people there.

Q Do you have close friends in Virginia other than the Pughs?

A Not that I would consider close friends, no.

Q How about in Florida?

A I have many close friends in Florida.

Q Do you belong to any clubs, organizations, charitable organizations, anything of this sort?

A I am a member of the Women's Action Task Force at the Department of Agriculture.

Q Here in Washington, D. C.?

A Yes, sir.

Q Do you hold an office in that organization?

A I do not.

Q How long have you belonged to that?

A Maybe six months.

Q Any other organizations?

A No, sir.

Q Do you belong to a church in Virginia --

MR. SCHELL: I am going to have to object. Even under a broad discovery of leading to discover information, I am not sure what private clubs and churches have any relevance whatsoever. We can go through her entire personal life, but I think these are beyond.

MR. CYS: Your answers to the interrogatories say that Ms. Saunders is a citizen of the State of Florida. These questions are relevant to that issue.

MR. SCHELL: Then you may proceed.

BY MR. CYS:

Q I am sorry. Do you belong to any churches in Virginia?

A I do not.

Q Do you belong to any churches at all?

A I do not.

Q Does your husband?

A Yes, sir.

Q What church and where is it located?

A He is a member of the church in Winter Park.

Q Winter Park where?

A Winter Park, Florida.

Q How long?

A Well, long before I ever knew him. And I have known him for 11, 12 years.

Q When is the last time that you went there?

A I do not attend church with my husband. We have different backgrounds.

Q I understand.

If you know, when was the last time your husband went to church?

A He attended there when he gave his daughter away at her wedding. It will be a year this past December.

Q And you haven't been there since, have you?

A No, sir, I have not been in Florida since then.

Q Do you have a driver's license?

A I do.

Q From what state?

A Florida.

Q Does your husband?

A Yes, sir.

Q From what state?

A Florida.

Q Do you contribute to any charitable causes?

A I bought Girl Scout cookies.

Q Here?

A In Virginia.

Q Anything else?

A No, sir.

Q For how many years have you filed state income tax returns in West Virginia?

A I would assume it would be just this last year. As I said earlier, my husband takes care of all of the taxes. I would assume they were filed in Virginia and West Virginia, the Federal tax.

Q All right.

1 Have you voted in any elections in Virginia?

2 A No, I have not.

3 Q Have you voted in any elections in West Virginia?

4 A No, I have not.

5 Q Has your husband voted in any elections in Virginia

6 or West Virginia?

7 A No, sir.

8 Q Has your oldest daughter registered to vote as far

9 as you know, Kathy?

10 A No, she has not.

11 Q Just so that I am clear on this.

12 Neither you nor your husband maintain any bank or

13 trust account of any kind in the State of Florida, is that

14 correct?

15 A That is correct.

16 Q Ms. Saunders, since September 20th of 1976, with whom

17 have you discussed the notes that you have signed to Ms.

18 Shultz? How many people have you discussed those notes with?

19 A Gordon Savage, Winnie Semon, John Schell and my

20 husband, as far as I know. That is all.

21 Q In your discussions with Mr. Savage, did you tell

22 him at any time that the money you received from Ms. Shultz

23 was a gift?

24 A I would relate to him that I assumed that it was a

25 gift.

1 Q When did you tell him that?

2 A When I would talk to him on the phone.

3 Q Could you think of a specific time that you assumed

4 that the money was a gift?

5 A No, I cannot.

6 Q Are you sure you said that to him?

7 A I am sure that I must have because Gordon and I con-

8 sider him a very dear and close friend. His son worked on my

9 campaign on a daily basis, Gordon, Jr.

10 Q Do you have a specific recollection of telling him

11 that the money was a gift?

12 A No, I don't, but I am sure that I did.

13 Q How many times are you sure you did?

14 A Perhaps every time that Gordon called me and said

15 Dorothy has been in his office, she is upset, and I would say,

16 Gordon, look, the money, she gave me the money. I don't have

17 anything to give back to her. I am sorry that she has had

18 ill health, I am sorry that her husband has a drinking problem,

19 I am sorry that he wants a new truck. There is nothing that

20 I can do about it.

21 He would say, okay, Jo Ann, I understand. I am not

22 going to pursue the case. I am going to give it to somebody

23 else.

24 Q How many times have you discussed this, these notes

25 with Winnie Semon since September 20, 1976?

A When I see Winnie, we usually talk about it.

Q How many times have you told her that you thought this was a gift?

A Every time I see Winnie.

Q When is the last time you told her that?

A I was in Florida on or about December 17, 1977, and that is when it was discussed. We had lunch that day.

Q Where?

A I believe we ate at the Ranch House.

Q Where is that located?

A On Lee Road.

Q What city?

A I don't know if that has a Winter Park or Orlando address.

Q Who was with you?

A Just Winnie and I.

Q What did you tell her about the notes?

A I just told her that I couldn't understand why Dorothy was going to take the steps that she was taking when we had an understanding when she gave us the money that day that there would never be a problem or anything to worry about.

Q What did Winnie Semon say to you?

A She said, well, Jo Ann, you know Dorothy, she is getting older and she has -- she has problems, and a lot of people change their mind.

Q On December 17, 1977, do you remember saying to Ms. Semon that the money that you received from Ms. Shultz was a gift?

A To use the word "gift," no, sir. I said that I could not understand why Dorothy was going to the lengths she was going to after giving me the money that she did under the circumstances that she gave them. And Winnie said I am sure, Jo Ann, you can understand that she is getting older. People change their minds. And we went through the thing about Winnie's mother before she died and so on and so forth.

Q Have you had any conversations with Ms. Semon since December 17, 1977, about the notes?

A No, sir.

Q Since December 1st of 1977, how many conversations have you had about these notes with persons other than Mr. Schell?

A Since when, sir?

Q December 1st of 1977.

A They only have been with Winnie and my husband.

Q Anyone else?

A Not that I can recall. Well, maybe Gordon.

Q Anyone else?

A I would hope that you would understand that Dorothy did not want anyone to know about this. I took her at what she requested and I did not discuss it openly with anyone. I

1 discussed it with Gordon when he would call. I discussed it
2 with Dorothy if she would call. I discussed it with Winnie
3 when I would see her on occasion. And when it came to the
4 point that we felt we had to have legal representation, we
5 discussed it with John.
6 Q All right.
7 Do you know offhand what Winnie Semon's phone number
8 is?
9 A No, sir, I don't have it with me.
10 Q Would you be willing to supplement the deposition
11 with that information?
12 A Sure.
13 Q Now, you have said in your interrogatories that you
14 haven't paid any money to Ms. Shultz since September 20, 1976,
15 that is correct, isn't it?
16 A That is correct.
17 Q From January 1, 1976, until December 31, 1976, how
18 many promissory notes similar to Plaintiff's Exhibit No. 1
19 did you sign?
20 A I am sorry, you will have to give me the dates again.
21 Q Sure.
22 January 1, 1976, to December 31, 1976. During that
23 period of time, how many promissory notes like this, like
24 Exhibit No. 1, didyou sign?
25 A I signed no notes to my recollection like those.

Q Since January 1, 1974, up until the present time, how many promissory notes like Exhibit 1, similar to Exhibit 1, have you signed?

A I don't know what you consider like.

Q Let us start it this way.

How many promissory notes having the same or substantially the same provisions as these have you signed since January 1, 1974? Take a look at it if you want.

A I would have to look at the bank note. I have signed some bank notes, but I don't recall what they have written in them.

Q When did you sign these bank notes?

A During the campaign year of 1976.

Q How many bank notes did you sign?

A I would say four.

Q For what purpose did you sign them?

A The money was borrowed to -- for my personal use and to use to put into the campaign.

Q From whom did you borrow the money?

A From banks in Florida.

Q Which banks did you borrow from on these four notes that you are talking about?

A It was a bank in Maitland. There was a bank in Citrus County, two small banks in Citrus County. There was a bank in Orlando and a bank in Pinellas County. To give you

1 proper names and so forth, I would have to check records, and
2 I would rather not do that unless I was sure.
3 Q What was the total amounts that you borrowed from
4 all of these banks put together?
5 A I would like to give you an estimate of $20,000.
6 Q Okay.
7 Now, that is all of them put together?
8 A That is an estimate, that is right.
9 Q Sure. I understand. And this was in 1976?
10 A That is correct.
(10) 11 Q Was it before September 20, 1976?
12 A Again I would have to go back to the records and
13 check on them.
14 Q To the best of your recollection?
15 A I would say that part of it was before or maybe most
16 of it was prior to September.
17 Q When you signed the notes to these banks, you did so
18 expecting to repay the money that you were borrowing, did you
19 not?
20 A Yes, sir.
21 Q And the notes that you signed all had terms requiring
22 repayment, didn't they?
23 A Yes, sir. They also loan you the money in hopes that
24 you will win an election so that you are able to pay that bank,
25 too.

Q Do you have copies of the notes that you signed to these banks?

Do you and your husband have copies?

A You would have to ask him that question. I do not know.

MR. CYS: Mr. Schell, would your client and you be willing to produce copies of the notes that we are talking about for these banks?

THE WITNESS: John, excuse me. When we moved from one campaign headquarters, we were clearing out, a lot of our files were destroyed. I do not know if those were in there or not.

MR. SCHELL: We can look. I don't know what relevance they are.

MR. CYS: Well, I think that --

THE WITNESS: We have a lot of stuff that is missing because we rented a campaign headquarters and they needed it to use for something, and they sent a cleaning crew to clean it up. They even threw away all my mailing cards, several thousand dollars worth. So I don't know if they were in there or not.

MR. SCHELL: We can look, but I have some question as to the relevance.

MR. CYS: I think they may well be relevant depending on whether we are going on some course of dealing. If you

1 don't have them, of course you can't. But I would request
2 that and, in that way, we will know specifically what banks
3 were involved.
4 MR. SCHELL: We will certainly look for them. If
5 they are under her control.
6 Do you have the campaign materials up here?
7 THE WITNESS: I only have one small box of things
8 and everything else was thrown out. They were all reported on
9 the Federal report.
10 MR. SCHELL: They belonged to the campaign and not
11 to you personally?
12 THE WITNESS: That is correct. Jo Ann Saunders for
13 Congress.
14 MR. SCHELL: I will have to think about that.
15 MR. CYS: I beg your pardon?
16 MR. SCHELL: I will have to think about that because
17 they were loaned to the campaign, and the Campaign Committee
18 was liable. I am not sure that they would be relevant to her
19 course of dealing.
20 MR. CYS: She said she signed them.
21 MR. SCHELL: On behalf of the Campaign Committee or
22 yourself?
23 THE WITNESS: The notes were made out Jo Ann Saunders
24 for Congress.
25 MR. CYS: It seems to me that you have something here

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1 that is clearly within the scope.

2 MR. SCHELL: Are you looking for us to stipulate

3 that she is aware of dealings with banks and notes and personal

4 liability?

5 MR. CYS: That may not even be enough. I would like

6 to see these notes that she signed, if you have them.

7 MR. SCHELL: We will look for them.

8 MR. CYS: I would appreciate it.

9 BY MR. CYS:

10 Q Now, Ms. Saunders, you said that -- if I recall --

11 that Ms. Semon handled the financial aspects of your campaign,

12 is that right?

13 A Yes, sir, she and my husband.

14 Q Now, do you know how much money, apart from the

15 $20,000 that you received from Ms. Shultz, that Ms. Shultz

16 gave to your campaign?

17 A No, sir, the records would reflect that. I am sure

18 it is anywhere from 25 up to maybe 200, 250, depending on the

19 tickets she bought for diners when she made a direct contri-

20 bution.

21 Q But you are aware generally, aren't you, that before

22 September 20, 1976, Ms. Shultz had made contributions to your

23 campaign?

24 A Certainly, as a lot of other people had done also.

25 Q On several occasions as far as you can remember?

A As far as I remember.

Q And on none of those other occasions did you sign any promissory notes to Ms. Shultz, did you?

A Nor to anyone else.

Q When is the last time you spoke with Dorothy Shultz?

A I would have been sometime early fall of 1977.

Q What did you discuss when you talked to her?

A She called me one evening. First, she was very angry over the phone, and then she started crying, and I told George he would have to talk to her or else I was going to end up in tears with her over the phone. And that wasn't going to do any good.

Q What was she angry about, if you recall?

A I think you could say that Dorothy was angry with the world at that point. Nothing seemed to be going right for her. She just seemed as though she had to have someone to take it out on.

To be very honest with you, she sounded like she had been drinking.

Q Did you have any discussion with her?

A Only very little.

Q Did you discuss the notes that you had signed?

A At that point, no, sir. She was talking about the surgery that she had, and her son was giving her a bad time about wanting to buy a car dealership, and she wanted to buy a

1 dog or something. And then she started crying. And I asked
2 George if he would please talk to her.
3 Q And did he?
4 A Yes, he did.
5 Q Did you hear what he said to her?
6 A If I remember correctly, he mainly listened until
7 she got off of her chest whatever it was that she wanted to
8 say to him.
9 Q Did you, after the telephone conversations, did you
10 discuss with your husband what she had said to him?
11 A I told him that I felt bad that she was upset and
12 that I thought that it was unfortunate that it sounded like
13 she had been drinking. And he said, well, don't worry about
14 it. She is probably on a sedative or something that the
15 doctor has given her.
16 Q Did he say anything about a conversation concerning
17 the notes that you had signed for the money that you received
18 from Ms. Shultz?
19 A She was completely calm when he hung up, according
20 to him, and she said, George, don't worry about it. If you
21 don't have anything, I don't either, and just don't worry
22 about it.
23 Q Don't worry about what, the notes or money?
24 A The fact that she wanted some money.
25 Q Now, in answer to this that Mr. Schell filed on your

1 behalf under affirmative defenses in legal language, the
2 statement is that the notes are invalid and unenforceable due
3 to a lack of consideration.
4 Upon what do you base that contention?
5 A May I see it, please?
6 MR. SCHELL: Well, lack of consideration is a legal
7 conclusion. I don't believe she should be asked to draw it.
8 MR. CYS: If she has any basis upon which to say
9 that she did not get consideration for the notes, I want to
10 know what it is apart from what we have already been through.
11 MR. SCHELL: Why don't you ask her that?
12 Is there any consideration other than what we dis-
13 cussed.
14 MR. CYS: Yes.
15 BY MR. CYS:
16 Q Do you have any basis, Mr. Saunders, for saying that
17 you did not receive anything from Ms. Shultz in return for
18 those notes?
19 A I am sorry, sir?
20 Q You received $20,000 from Ms. Shultz, right?
21 A That is correct.
22 Q And, in return for that, you gave her the notes that
23 you signed, right?
24 A That is correct.
25 Q Now, did you receive anything else from Ms. Shultz

1 for the notes that you gave her?

2 A No, sir.

3 Q Now, you can consult with your attorney, but is

4 there any facts upon which this claim is based, this defense

5 that you didn't get consideration for the notes?

6 MR. SCHELL: When you are saying facts, now, we --

7 THE WITNESS: I don't understand.

8 MR. SCHELL: I am not sure either because we discus-

9 sed a lot of facts, the campaign, the existence of the cam-

10 paign, and also we felt that the money was given in the midst

11 of the campaign and that the -- we felt the evidence will show

12 that the plaintiff was looking to victory or defeat as a means

13 of repayment. And so the lack of consideration was the --

14 simply as she already testified, the money was paid more to

15 the campaign than to Ms. Saunders.

16 I will be glad to elaborate that and we can go

17 through that in interrogatories. But I feel that raised an

18 affirmative defense.

19 MR. CYS: All right.

20 BY MR. CYS:

21 Q In your second defense, you say there is a previous

22 discharge in andwaiver of liability by the plaintiff. Apart

23 from what you have testified to here today, is there any other

24 basis for saying that Ms. Shultz discharged the liability on

25 these notes or waived your liability?

A If I understand you correctly, Ms. Shultz, in my opinion, wanted to support a candidate that she could point to and say this candidate was mine, or I supported this person. She introduced me to her friends and encouraged them to do the same. She would make a statement to me I am supporting Jo Ann in every way I can. I would be in hopes that you would, too. We need her in Congress.

Q Anything else?

A Well, I wasn't sure that I understood your question.

Q Well, apart from what you just said and apart from what you testified to this morning, is there any other basis you have for saying that Ms. Shultz waived her liability -- waived your liability on these notes?

A No, other than she would always say, you know, I am your friend, I want to help you, here is the money, you do with it what you see fit. If you need to pay off the campaign, fine. If you need to pay a house payment, fine. If you need to buy groceries, fine.

Now, if that is waiving liability, then that is waiving liability.

Q Apart from what you testified to here this morning, is there any other basis you have for saying that Ms. Shultz did not intend for you to be personally liable on the notes as you set forth in your answer?

A Other than the fact that I said, Dorothy, I do not

1 know I will ever pay this back, and she would continually say
2 do not worry about it.
3 Q Is there anything else?
4 A No, not that I recall.
5 Q Neither you nor your husband are renting any prop-
6 erty in Florida as of the present day, are you?
7 A No, sir.
8 Q And you weren't as of November and December of 1977,
9 were you?
10 A No, sir.
11 MR. CYS: That concludes the questions that I have.
12 Do you have anything, Mr. Schell?
13 MR. SCHELL: Nothing in redirect or nothing further.
14 MR. CYS: Then, as I understand it, we have agreed
15 that you are going to attempt to locate documents responsive
16 to the document production demand and furnish those by
17 Thursday of this week if you have any such; that we are
18 adjourning this deposition subject to reconvening on the basis
19 of any documents are, in fact, responsive; that, in addition,
20 you have agreed to determine whether Ms. Saunders has in her
21 control or possession copies of the promissory notes executed
22 to the banks and produce those if, in fact, she has them.
23 Now, what is your pleasure on --
24 MR. SCHELL: We have also agreed to get Ms. Semon's
25 telephone number. Three things.

MR. CYS: What are your desires as to signature?

MR. SCHELL: She would like to read it, I am sure. We would like to read it.

THE WITNESS: John, I am not sure that Ms. Semon should be called in her office. She has recently changed jobs.

MR. SCHELL: If we don't have a telephone number for her, fine.

THE WITNESS: I have both phone numbers I would like for you to use. Use the utmost courtesy when you call her.

MR. CYS: I am sure we will.

MR. SCHELL: We would like to read it before it is signed. The signature is not waived.

MR. CYS: All right.

MR. SCHELL: So, once we have determined whether any further documents and whether you want to continue, then we have the deposition closed?

MR. CYS: And I will notify you no later than April 5 if we need to continue with the deposition.

MR. SCHELL: Very good. Thank you very much.

MR. CYS: Thank you.

(Whereupon, at 12:55 p.m., the taking of the deposition was concluded.)

- - -

I have read the foregoing 117 pages, which contain a correct transcript of the answers made by me to the questions therein recorded.

_____
Jo Ann Saunders

- - -

Subscribed and sworn to before me this _____ day of _____, 1978.

_____
Notary Public

My commission expires _____.

CERTIFICATE OF NOTARY PUBLIC

I, Joseph D. Rogers, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me stenographically and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

Notary Public in and for
the District of Columbia

My commission expires September 30, 1981.

7901014030

NEWSPAPER ARTICLES

Daily Commercial

LEESBURG FLA. (32748)

JoAnn Saunders' Foes Using Her Labor Backing Against Her

AUGUST 6, 1976

7901010062

AUGUST 16, 1976

POLITICS

[illegible]

[illegible]

[illegible]

SEPT. 7th VOTE FOR

JoAnn SAUNDERS

FOR CONGRESS 5th DIST DEMOCRAT

AUGUST 27, 1976

7904010305

Members of the U.S. House of Representatives

Miller

Newton

Don Reynolds

JoAnn Saunders

James Sundby

Sid Vinell

SEPTEMBER 4, 1976

7904010206

JoAnn Saunders Narrowly Missed A Rare Political Feat

Politics

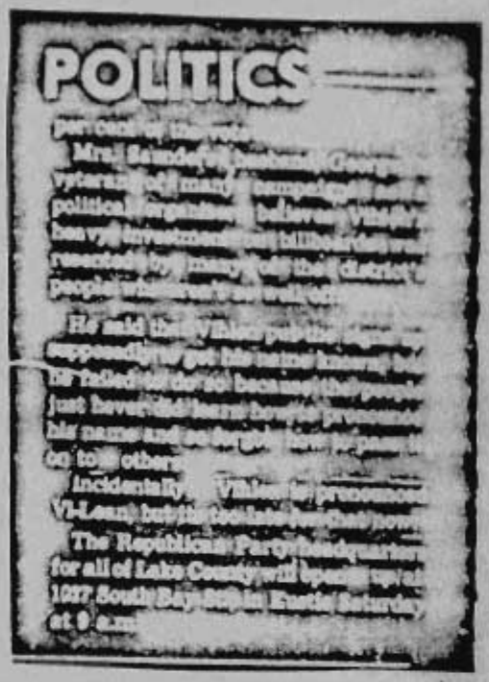
SEPTEMBER 10, 1976

BY GLENN CONRAD
Staff Writer

[illegible]

[illegible]

[illegible]



POLITICS

SEPTEMBER 10, 1976
(cont'd)

Newton Questions Saunders' Integrity

SAUNDERS

SEPTEMBER 11-12, 1976

Newton Wants To Debate Saunders

BY DENNIS CONRAD
Staff Writer

[illegible]

POLITICS

[illegible]

SEPTEMBER 11-12, 1976

7904014031 0

Newton Sues To Get Saunders Off Ballot

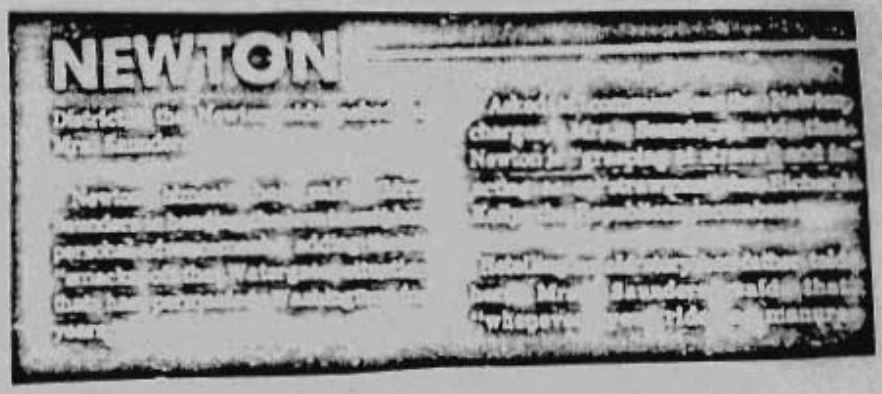
Miller Newton

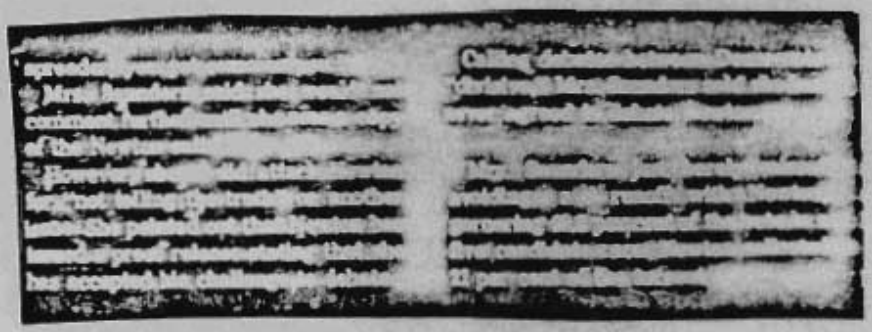
BY DENNIS CONRAD
Staff Writer

JoAnn Saunders

SEPTEMBER 14, 1976

7904010311





7904010312

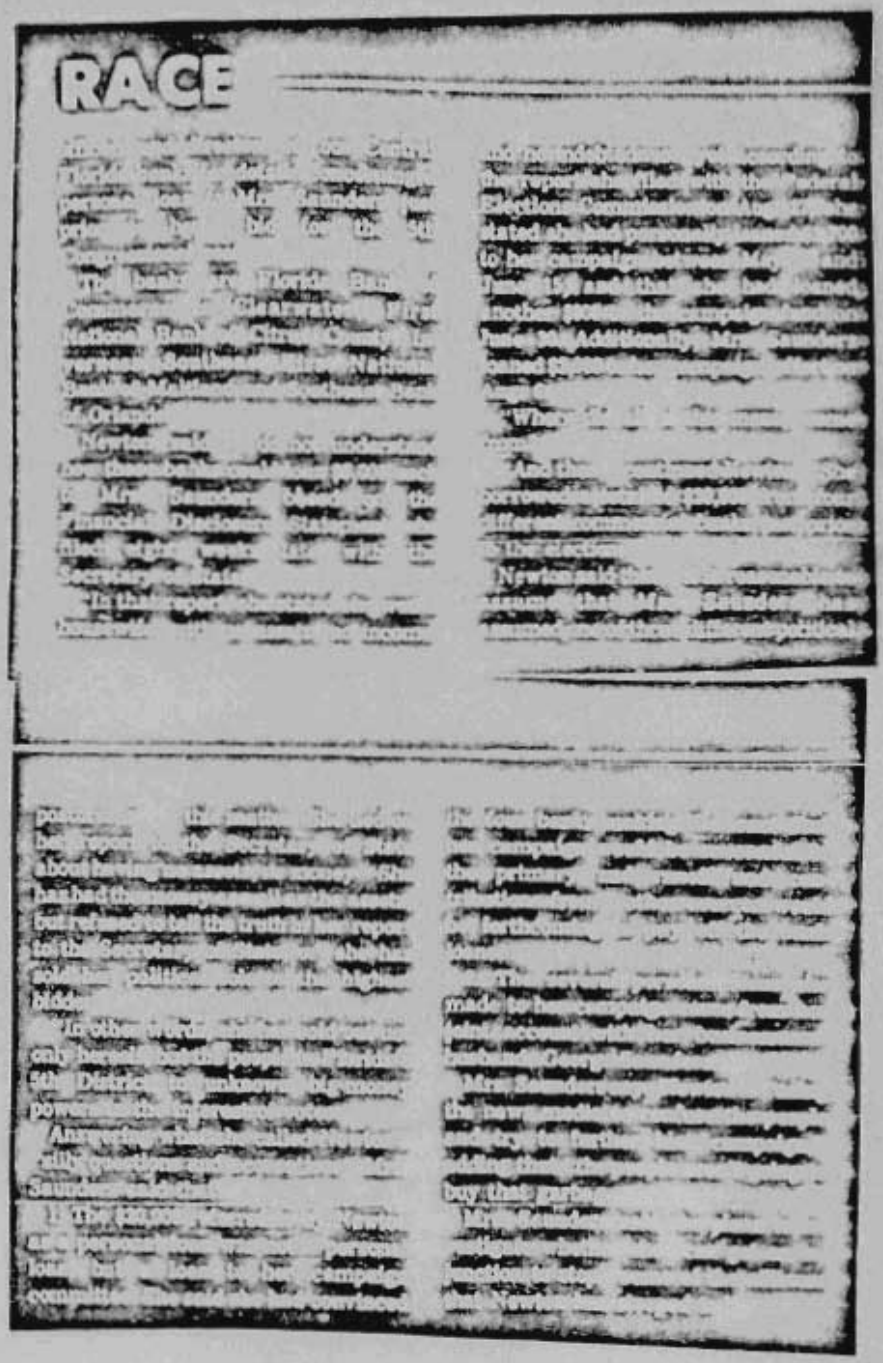
SEPTEMBER 14, 1976
(cont'd)

Newton Suit F
He Questions
Saunders' Loa

Miller Newton

JoAnn Saunder

SEPTEMBER 16, 1976



SEPTEMBER 16, 1976
(cont'd)

7901010311

Newton, Saunders in Court

By DENNIS CONRAD
Staff Writer

Politics

would not be required to be listed as contributors unless the campaign defaulted on the loan, he said.

He added that the campaign had promised to repay the loan with pledged contributions [illegible] listed publicly.

Newton says federal [illegible] require candidates [illegible] and directors of all [illegible] and guarantors of any [illegible] [illegible] news reports are accurate, Saunders has violated federal [illegible] state election procedures, Newton said.

SEPTEMBER 23, 1976

Saunders Appears In Violation of Election Laws

BY ROLAND [illegible]

WASHINGTON [illegible]

[illegible]

SEPTEMBER 24, 1976

7904011031 6

September 25-26,1976

Tax Return Delayed to Figure Losses

Saunders' Financial Affairs

SAUNDERS

7904101317

Saunders Complaint Before Ethics Board, Paper Report Says

TAMPA — A complaint has been filed with the Ethics Commission claiming McAuliffe Saunders, candidate for the 5th congressional district seat, [illegible] Tampa Tribune [illegible] said.

Mrs. Saunders' [illegible] Pasco County Clerk of Circuit Court Miles Newton, [illegible] today's runoff in the Women's Race, Rep. Richard Kelly, R-New Port Richey, [illegible] the November general election.

Bonnie Johnson, assistant director of the Ethics Commission, declined comment today on whether the Commission received Newton's complaint against Mrs. Saunders. Mrs. Johnson said commission members are [illegible] are prohibited [illegible] complaint.

The Tribune [illegible] confirmed that a complaint [illegible] but said No [illegible] The source [illegible] Monday.

The Tribune [illegible] Mrs. Saunders [illegible] Daily Commercial [illegible] morning [illegible] report saying [illegible] about the allegations.

Her husband and campaign manager, George [illegible] statutory claims made against the [illegible] investigation.

Irregularities [illegible] representation [illegible] candidate [illegible] other public [illegible] anything [illegible] the ethics [illegible] election [illegible] Daily Commercial reported. Daniel Conrad was questioned [illegible] by the ethics commission. Conrad signed an agreement to [illegible]

Conrad [illegible] the Saunders [illegible] Congressional District.

The Tampa Tribune said the complaint involves [illegible] issues that are [illegible] fight between Newton and Mrs. Saunders.

Earlier this month, Newton [illegible] Saunders claiming she failed to file the required financial disclosure statements and improperly [illegible] hardship petitions [illegible] candidate instead of filing the [illegible] qualifying fee.

Sources claim the [illegible] the ethics commission [illegible] the Tribune said.

SEPTEMBER 28, 1976

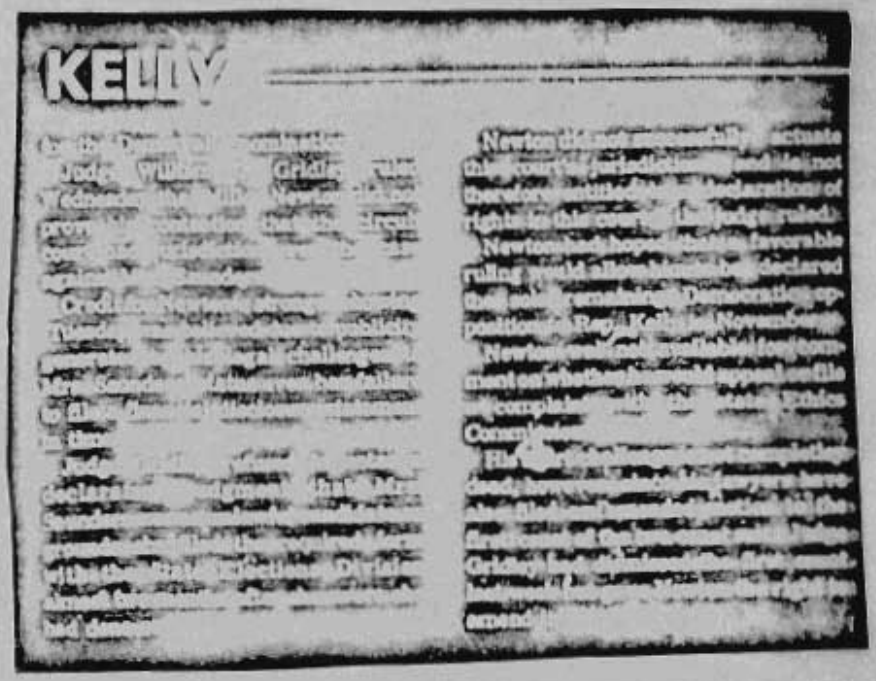
7904014031 8

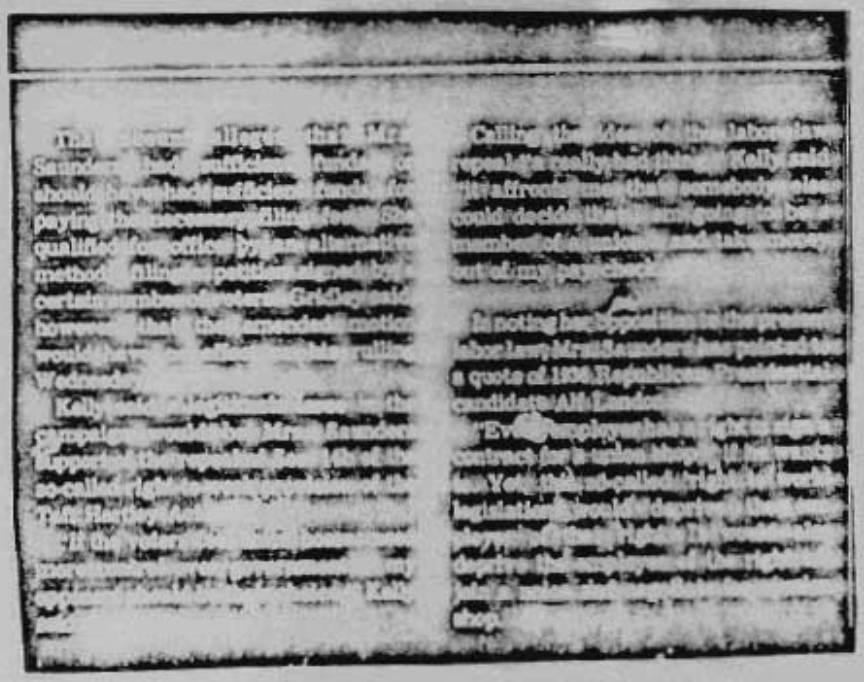
Kelly: I Won't Dwell on Saunders' Finances

BY ROLAND PAGE

SEPTEMBER 30, 1976

7904010319





SEPTEMBER 30, 1976
(cont'd)

OCTOBER 13, 1976

Ethics panel plans hearing on Saunders

[illegible] into the [illegible] [illegible] public hearing on the [illegible] financial disclosure

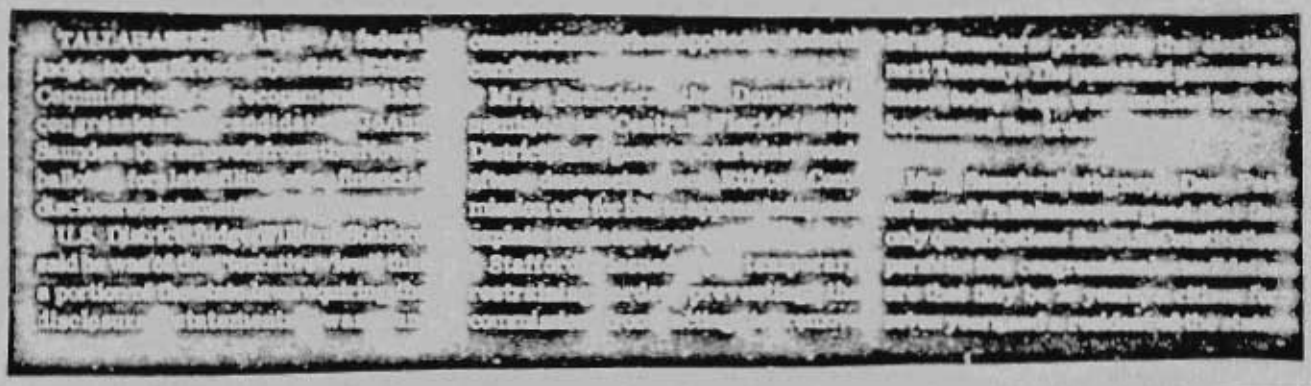
7904010321

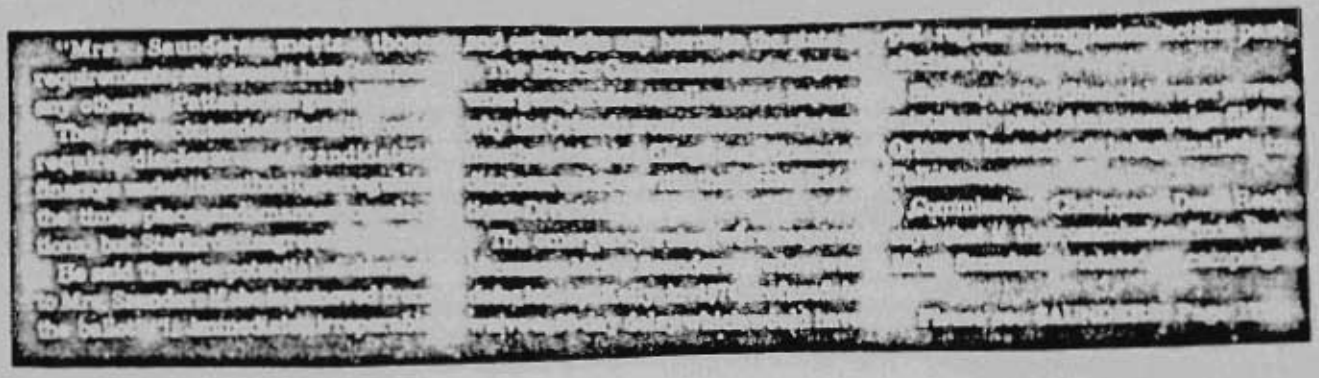
Saunders files suit to stop Ethics panel

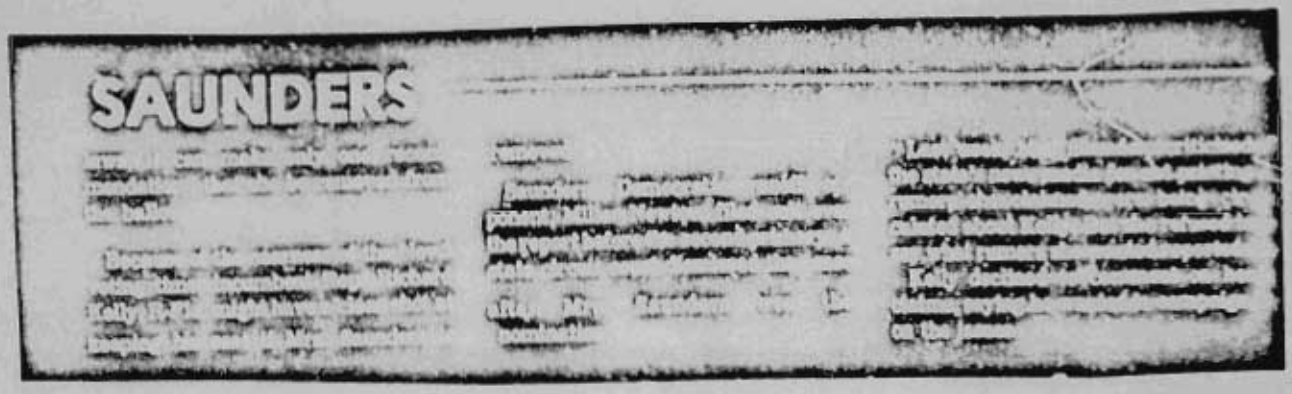
SAUNDERS

OCTOBER 23-24, 1976

Saunders wins round to stay on ballot



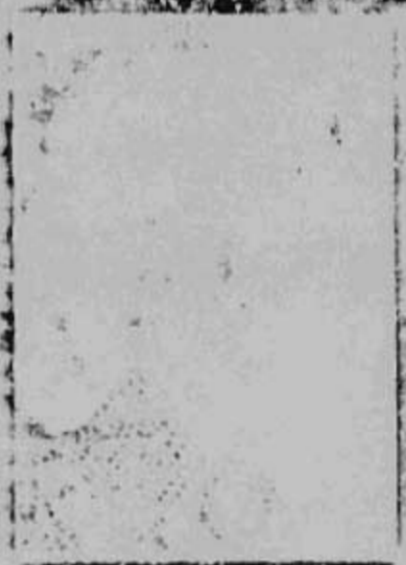




OCTOBER 25, 1976

7904014032 3

One more try to bar Saunders



OCTOBER 26, 1976

District Judge sustains ruling

Saunders' legal woes over for now

OCTOBER 28, 1976

7904010325

Rep. Kelly's agricultural citrus ties good for Florida

OCTOBER 29, 1976

7904040226

Kelly beats Saunders, who plans suit

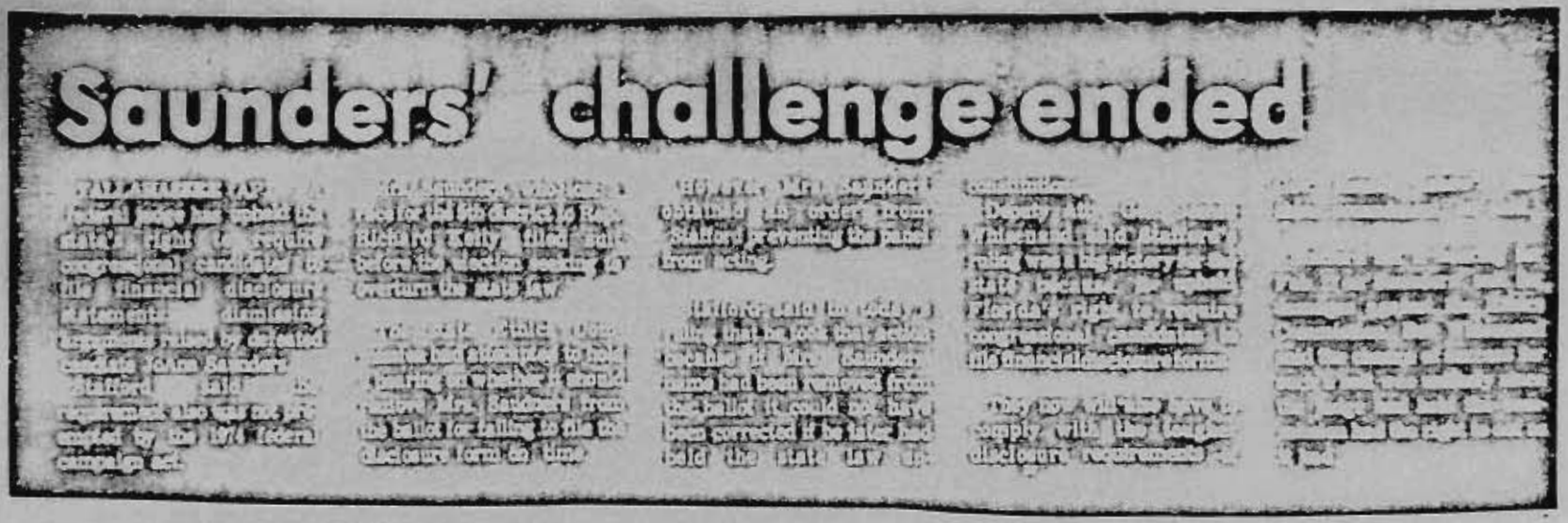
BY JACQUELINE DOWD

NOVEMBER 3, 1976

7901010327

DECEMBER 24, 1976

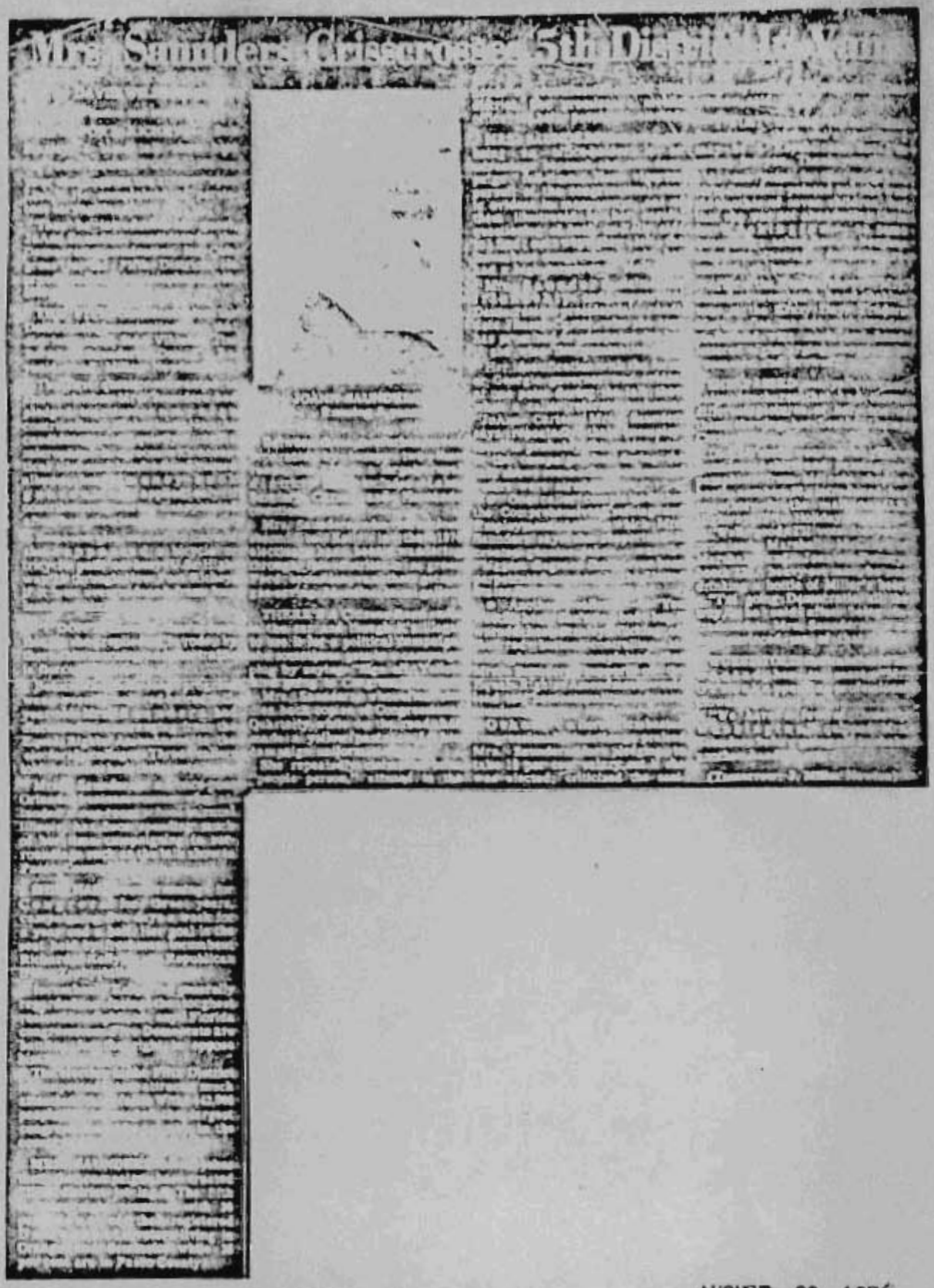
Saunders' challenge ended



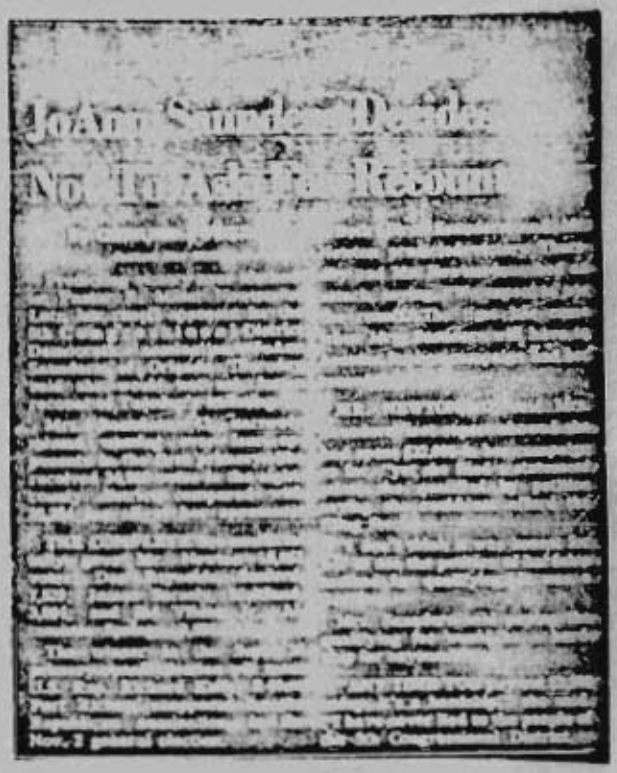
7904010328

SENTINEL STAR
ORLANDO
FLORDIA

7904014032 9



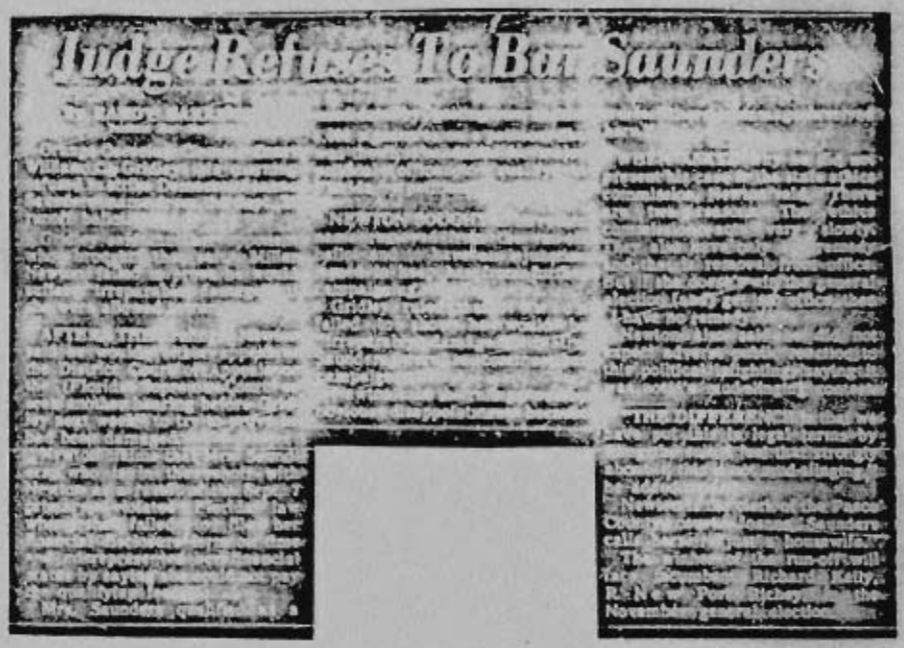
AUGUST 30, 1976



SEPTEMBER 10, 1976

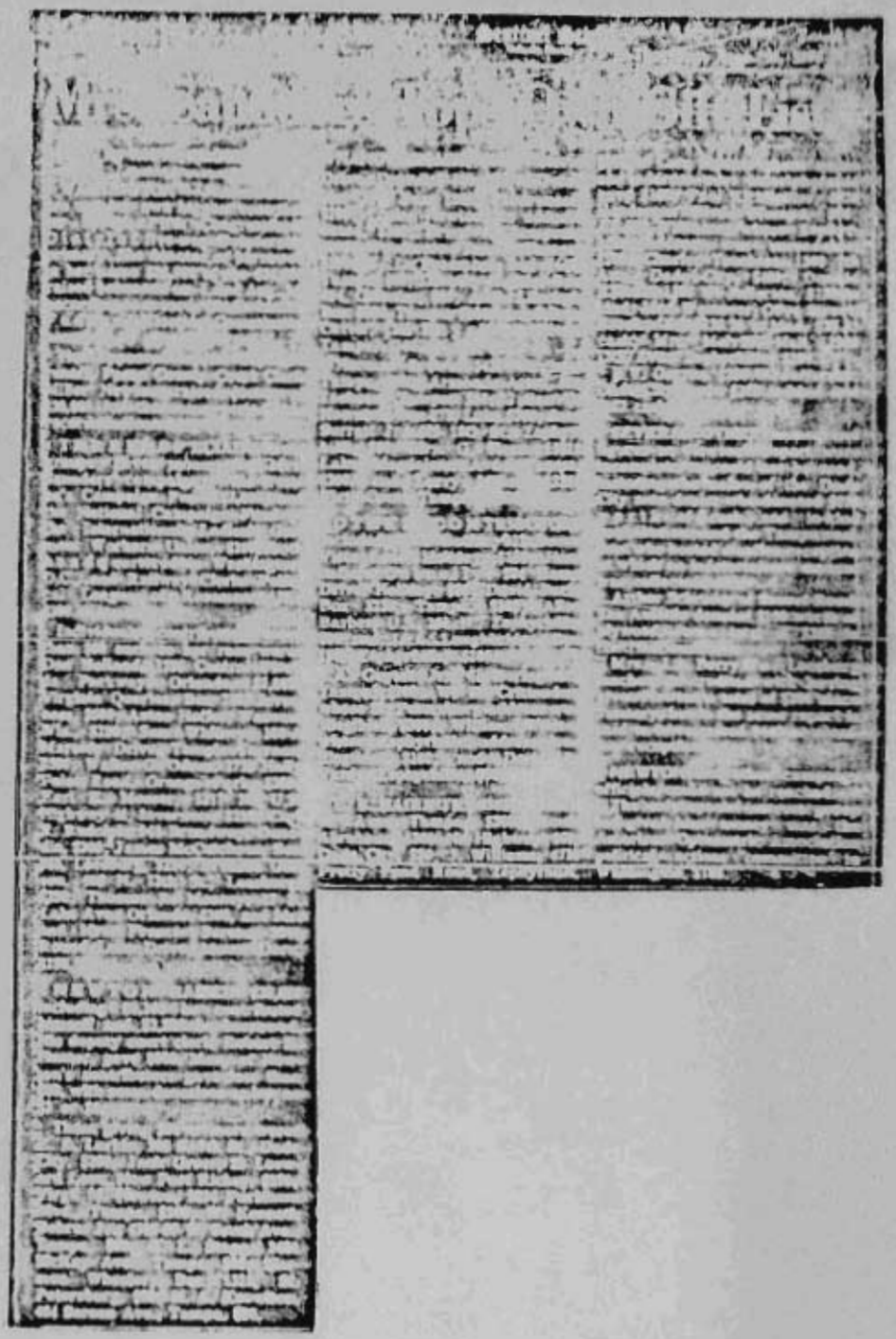
SEPTEMBER 14, 1976

7904014052



Judge Refuses To Bar Saunders

SEPTEMBER 15, 1976

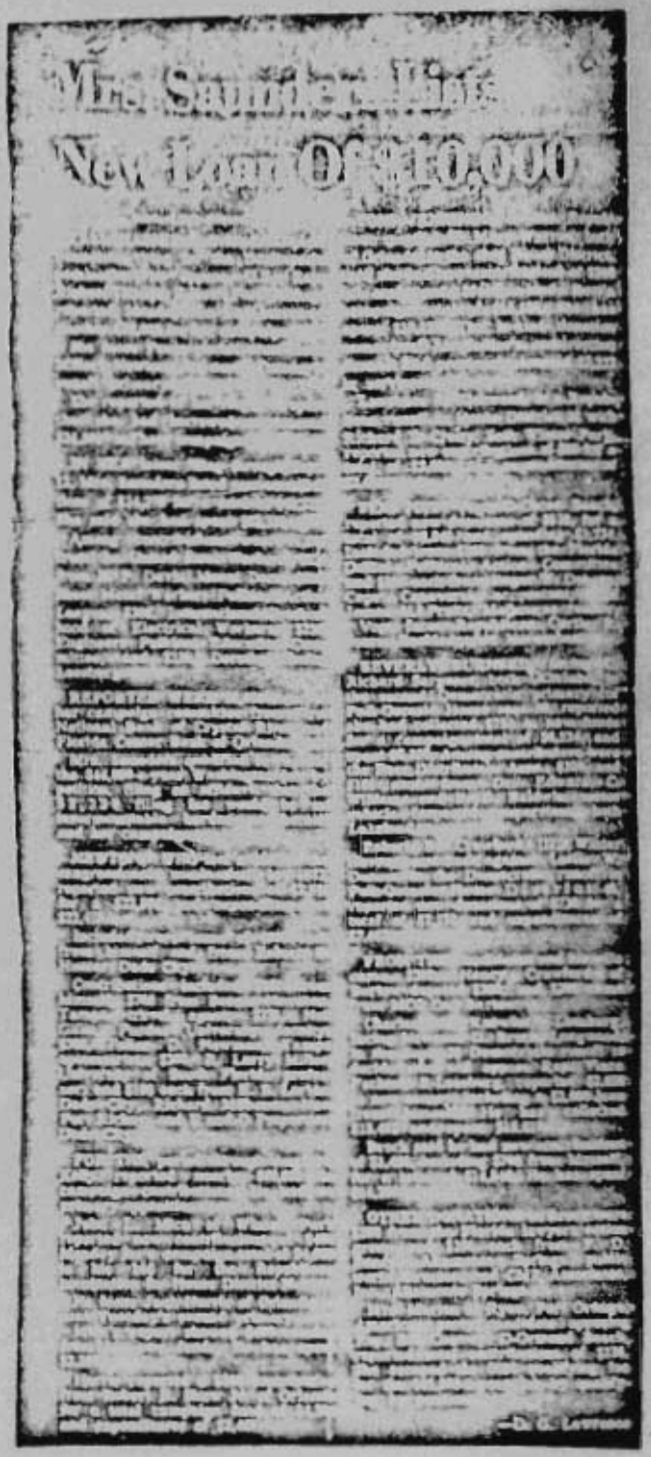


SEPTEMBER 16, 1976

/9040140334

Saunders-Newton Race Heating Up

SEPTEMBER 17, 1976



SEPTEMBER 21, 1976

OCTOBER 19, 1976

7904010337

Panel To Consider Removal Of Saunders From Ballot

Campaign '76

OCTOBER 21, 1976

7904010238

OCTOBER 22, 1976

Saunders, Pollwood Elders Panel's Kangaroo Court

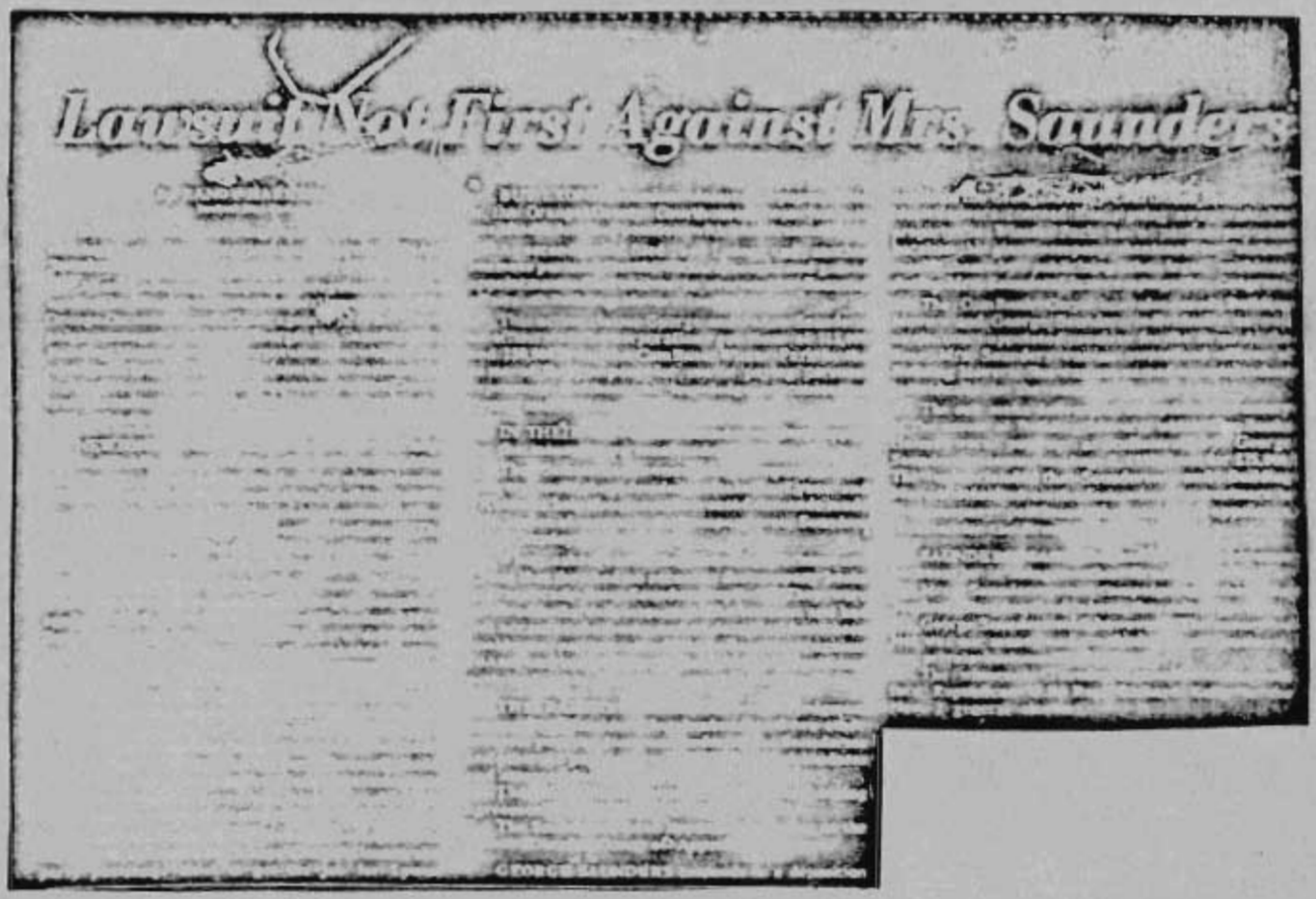
Campaign '76

disclosure statement

OCTOBER 22, 1976

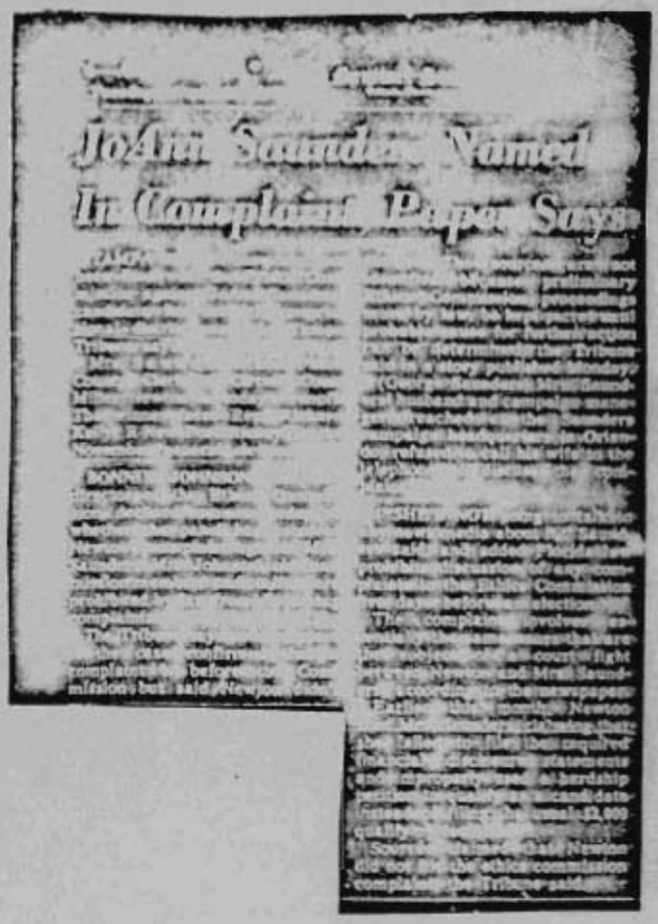
7904010340

Lawsuit Not First Against Mrs. Saunders



SEPTEMBER 22, 1976

7904010341



JoAnn Saunders Named
In Complaint, Papers Says

SEPTEMBER 28, 1976

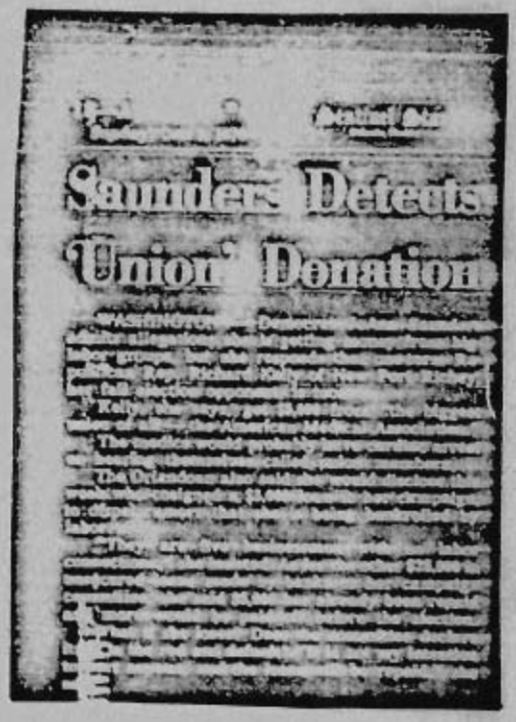
Kelly's Conservative Score Perfect

Mrs. Saunders May Face New Court Hearing

Kelly Predicts November Victory

SEPTEMBER 30, 1976

7904014034 3



Saunders Defects
Union Donation

OCTOBER 3, 1976

7904014034 4

Saunders Denies Owing $21,413 In Unpaid Taxes

[illegible] JoAnn Saunders [illegible] more than $2,000 [illegible] the Internal Revenue [illegible] 1976 and 1975.

[illegible] against [illegible] Social Security [illegible] Mrs. Saunders [illegible] Republican Nomination [illegible] General Election [illegible] House [illegible]

MRS. SAUNDERS [illegible] when [illegible] reported [illegible] filed the [illegible] whole [illegible]

[illegible] Walker [illegible] better [illegible]

FEDERAL [illegible]

7604014034S

OCTOBER 15, 1976

Campaign '76

3 Editors Refute Saunders Charge

MR. SAUNDERS

who choose to do it another way.

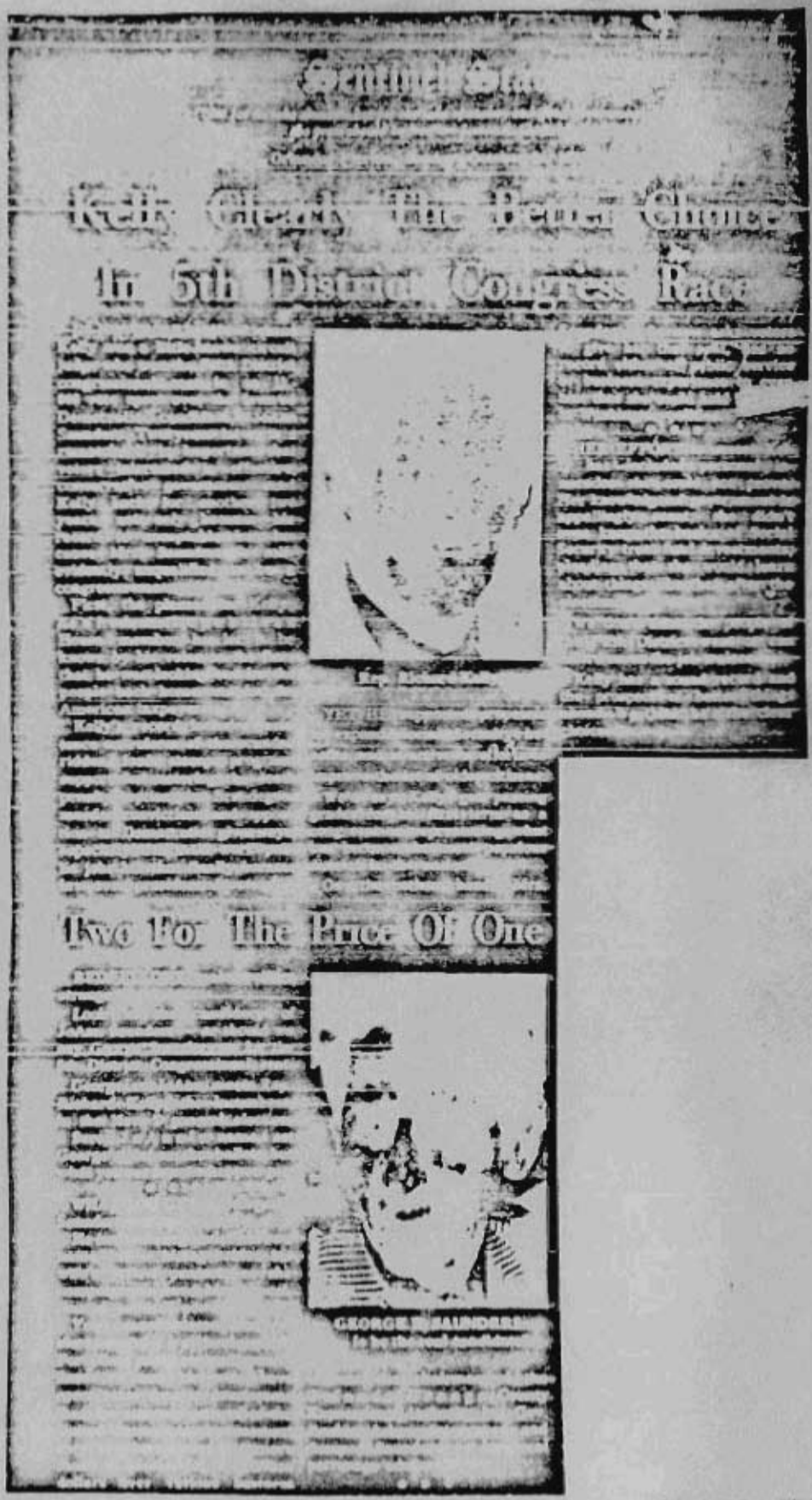
OCTOBER 15, 1976

7904014034 6

Mrs. Saunders Sues To Block Ethics Hearing

Mrs. Saunders Sues To Block Ethics Hearing

OCTOBER 23, 1976



In 5th District Congress Race

Two For The Price Of One

GEORGE MANDEL

OCTOBER 24, 1976

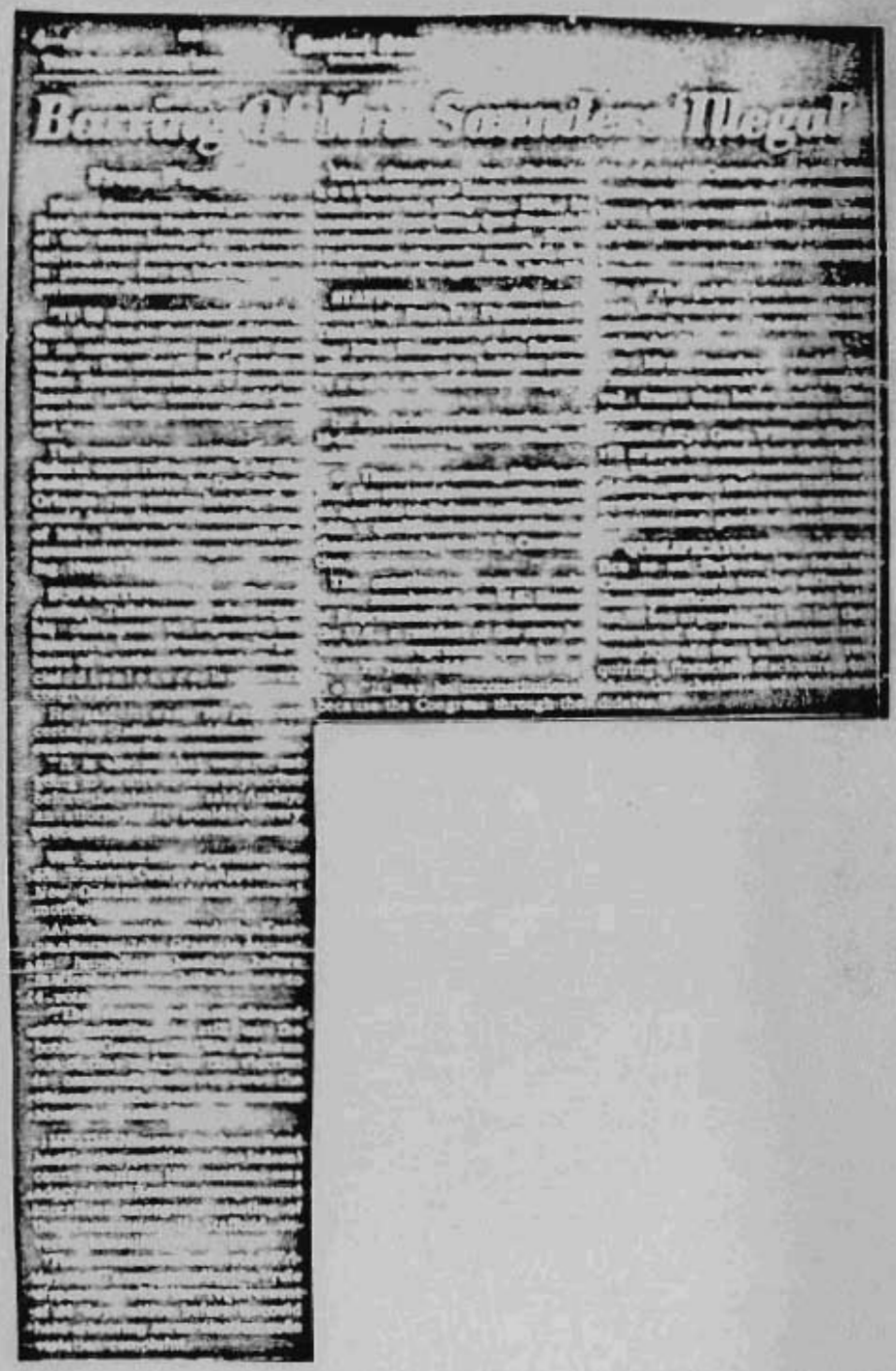
7904010348

Barring Mrs. Saunders Blocked As Illegal

WHISENAND

OCTOBER 26, 1976

79040140349



OCTOBER 26, 1976
(cont'd)

7904014035 0

Saunders U.S. Court Hearing Today

OCTOBER 27, 1976

Lid On Saunders Hearing Retained

OCTOBER 28, 1976

NOVEMBER 4, 1976

7903010353

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF INVESTIGATION
WASHINGTON, D.C. 20250

Reply to Attn of: 2901-0

JUN 23 1978

Subject: JO ANN SAUNDERS

To: Thomas F. McBride
Inspector General

This inquiry was initiated on the basis of a letter, dated May 19, 1978, from Mrs. DOROTHY A. SHULTZ, 909 Oak Drive, Leesburg, FL, to the Secretary in which Mrs. SHULTZ alleges JO ANN SAUNDERS, presently an employee of the U.S. Department of Agriculture, borrowed $20,000 from her on September 20, 1976, while SAUNDERS was seeking election as a representative for the 5th Congressional District of Florida. SAUNDERS promised to repay this loan within 90 days; however, none of the debt has been repaid.

On June 2, 1978, Mrs. SHULTZ furnished a sworn signed statement in which she advised substantially as follows:

> She became acquainted with SAUNDERS in 1976 when SAUNDERS was the Democratic candidate for Representative for the 5th Congressional District of Florida.
>
> Sometime prior to September 20, 1976, SAUNDERS requested a loan of $20,000 because of a problem she was having with the Florida Ethics Commission. On September 20, 1976, she loaned SAUNDERS $20,000 for which SAUNDERS signed notes promising to repay the money in 90 days at 6 per cent interest.
>
> She brought a civil action in the U.S. District Court for the Eastern District of Virginia to recover the money. SAUNDERS furnished a deposition in this matter in which she was untruthful. Shortly after SAUNDERS made this deposition she filed a petition of bankruptcy in the Federal court in Alexandria, VA.
>
> At no time did she tell SAUNDERS that this loan of $20,000 was a gift.

Mrs. SHULTZ further orally advised:

> Sometime during October 1976 she contributed $260.00 to the JO ANN SAUNDERS Campaign. She made this contribution by several checks; however, she does not know where the cancelled checks are at the

present time. The ORLANDO SENTINEL STAR of October 24, 1976, reported her contribution at $220.00.

GORDON H. SAVAGE, attorney, 200 N. 3rd Street, Leesburg, FL, on June 1, 1978, furnished copies of the following items:

Cashier's check of the Citizens National Bank, dated September 20, 1976, payable to DOROTHY A. SHULTZ in the amount of $10,000. On the reverse side the endorsements were "Dorothy A. Shultz," "For Deposit Only" and "Jo Ann Saunders."

Check of the First Federal Savings and Loan Association of Lake County, dated September 20, 1976, payable to DOROTHY A. SHULTZ in the amount of $10,000. The endorsements on the reverse side were "Dorothy A. Shultz," "For Deposit Only" and "Jo Ann Saunders."

Note, dated September 20, 1976, bearing a signature "Jo Ann Saunders," which promised to pay DOROTHY A. SHULTZ the sum of $10,000 60 days after the date with interest at the rate of 6 per cent.

Note, dated September 20, 1976, bearing a signature "Jo Ann Saunders" which promised to pay DOROTHY A. SHULTZ the sum of $10,000 90 days after the date with interest at the rate of 6 per cent.

Partial deposition of JO ANN SAUNDERS, defendant, taken on behalf of DOROTHY A. SHULTZ, plaintiff, in a civil action in the U.S. District Court for the Eastern District of Virginia.

SAVAGE advised that the Florida State Ethics Commission had information concerning SAUNDERS as some questions had been raised about her finances during the 1976 Congressional race in the 5th District of Florida.

RICHARD L. CYS, attorney, Suite 507, 1660 L Street, N.W., Washington, D.C., on June 21, 1978, furnished the following:

Deposition of SAUNDERS (pages 61 through 119).

Copy of certificate, undated, acknowledging receipt of a contribution of $260.00 for the SAUNDERS' campaign.

CYS advised:

He represents Mrs. SHULTZ in the civil action brought under the uniform code of the State of Florida. He deems the case a simple matter of a loan being made with promissory notes to repay the loan.

The civil suit, which is in the United States District Court for the Eastern District of Virginia, Alexandria, VA, is being held in abeyance pending the outcome of the petition for voluntary bankruptcy filed by SAUNDERS.

While he will fully cooperate, he feels that there is certain information he has that he cannot disclose because of the client-attorney relationship. However, the documentation referred to in the deposition of SAUNDERS will be furnished if needed.

Review of the complete deposition of SAUNDERS, furnished by SAVAGE and CYS, disclosed substantially as follows:

She has known Mrs. SHULTZ since 1974. On September 20, 1976, she received two checks from Mrs. SHULTZ totaling $20,000. She signed two notes, prepared by her secretary, WINNIE SEMON, promising to repay Mrs. SHULTZ the $20,000. She signed these notes because she thought it was the proper thing to do. However, she maintains that Mrs. SHULTZ told her the money was a gift and to use it however she saw fit and not to worry about repaying it. She acknowledged the signatures "Jo Ann Saunders" on the two checks and the two notes to be her signature.

Examination of the records of the United States District Court for the Eastern District of Virginia, 200 S. Washington Street, Alexandria, VA, furnished by the clerk of the court, disclosed the following:

DOROTHY A. SHULTZ, plaintiff, v. JO ANN SAUNDERS, defendant, Civil Action No. 77-858-A was on file, The case is pending.

March 10, 1978 the defendant's response to plaintiff was filed, which stated the plaintiff intended the money to be a "contingent loan or gift to support the defendant during her campaign for Congress."

April 5, 1978 bankruptcy filed.

April 12, 1978 Motion for Summary Judgment removed from the court docket.

April 19, 1978 Order filed. Action stayed until adjudication or dismissal of the bankruptcy action.

Examination of the records furnished by the clerk of the Bankruptcy Court, 206 N. Washington Street, Alexandria, VA, on June 19, 1978, disclosed:

Petition for Voluntary Bankruptcy was filed on April 5, 1978, # 78-248-A, in the name of DORIS JO ANN SAUNDERS; JO ANN SAUNDERS; Mrs. GEORGE E. SAUNDERS.

Three suits were pending at the time of filing:

1. U.S. District Court for the Eastern District of Virginia
   CA No. 77-858-A
   DOROTHY SHULTZ vs. JO ANN SAUNDERS
   Loan for campaign

2. Circuit Court, 9th Judicial District, Orange County, FL
   Nos. 75-2040 and 76-9937
   COMBANK OF WINTER PARK vs. JO ANN SAUNDERS
   Guarantor on business debt of BUILDING MOVERS, INC.

3. Circuit Court, 18th Judicial District, Seminole County, FL
   No. 76-125-CA-03-D
   Financial Indemnity Co. vs. JO ANN SAUNDERS
   Guarantor on performance bond of BUILDING MOVERS, INC.

Schedule A 1 - Creditor Having Priority - list the following:

Taxes owing - IRS - BUILDING MOVERS, INC. ID # 59-1111-859
Trustee, HOWARD CLIFTON
$21,412.77 - Unpaid withholding and SS taxes for company; contingent liability with other corporate officers - July 28, 1975

Schedule A 3 - Unsecured Claims Without Priority

A total of 23 claims are listed with debt totaling $443,425.49. One of the creditors listed was DOROTHY SHULTZ, Leesburg, FL; claim incurred September 20, 1976, in the amount of $20,000 as loan for political campaign evidenced by two $10,000 notes signed by the Bankrupt.

The debts listed totaled $464,838.26 and personal property was shown as $1,033.72.

A.J. NORTHRUP, Investigator, State of Florida Commission on Ethics, Room 2107, State Capitol, Tallahassee, FL, furnished the following:

Report of Investigation, dated September 27, 1976, of JO ANN SAUNDERS on a complaint that she failed to file a Statement of Financial Disclosure within the time period required by law.

Memorandum, dated October 11, 1976, Prosecutor's Recommendation, which stated that based upon preliminary investigation, the Commission on Ethics finds probable cause to believe that Chapter 112, Part III, of the Florida Statutes was violated by JO ANN SAUNDERS.

Letter, dated May 20, 1977, from the Executive Director, Commission on Ethics, to the State Attorney, referring evidence of a possible commission of perjury or false swearing by Mrs. SAUNDERS, for further investigation.

No True Bill Presentment, dated August 10, 1977, in which the Grand Jurors, Circuit Court of the Second Judicial Circuit, Leon County, FL, did not find a probability of conviction to exist.

Code of Ethics for Public Officers and Employees, Chapter 112, Part III, Florida Statutes.

Order Granting Partial Summary Adjudication, dated December 21, 1976, issued by the United States District Court for the Northern District of Florida, Tallahassee, FL, in the case of JO ANN SAUNDERS, plaintiff, vs. DONALD REED, et al, defendants, in which U.S. District Judge WILLIAM STAFFORD found the defendants are entitled to judgment as a matter of law referring to the Florida Statutes.

Microfilm copies of local newspapers, DAILY COMMERCIAL, Leesburg, FL, and SENTINEL STAR, Orlando, FL, were reviewed for the period of August through December 1976. Articles appearing in these newspapers, in essence, disclosed:

There was a primary contest in the 5th Congressional District of Florida for the Democratic nomination to the House of Representatives in which five candidates took part. In the primary election, SAUNDERS received most of the votes; however, not a majority resulting in a runoff between SAUNDERS and MILLER NEWTON in which SAUNDERS was the victor. During this contest NEWTON alleged violation of the state election laws by SAUNDERS and subsequently a complaint was filed with the Florida Commission on Ethics. The Ethics Commission attempted to have SAUNDERS removed from the ballot; however, SAUNDERS filed suit in the Federal Court in Tallahassee and a temporary restraining order was issued preventing the Ethics Commission from acting to remove SAUNDERS from the ballot. In the general election on November 2, 1976, SAUNDERS was defeated for the office by incumbent Representative RICHARD KELLY, In December 1976, the Federal Court upheld the Ethics Commission's right to require financial disclosure statements, dismissing arguments raised by SAUNDERS.

Examination of the records at the Federal Election Commission, Public Records Section, 1325 K Street, N.W., Washington, D.C., disclosed there was a total of 26 reports listed as being submitted by JO ANN SAUNDERS FOR CONGRESS Committee. The following pertinent data was disclosed:

DOROTHY A. SHULTZ contributed a total of $210.00 to the Committee during October 1976.

On September 21, 1976, a loan in the amount of $10,000 was received by the Committee from JO ANN SAUNDERS.

An amount of $10,000 is shown as a debt or obligation of the Committee to JO ANN SAUNDERS.

BRADLEY LITCHFIELD, Assistant General Counsel, Office of the General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C., advised:

The law applicable to Federal Election Campaigns is contained in Title 2 of the United States Code. Section 441a states the limitation on contributions that may be made to a candidate for election to Federal office. The limit is $1,000. Section 437d (e) states the power of the Commission to initiate civil action shall be the exclusive civil remedy for the enforcement of the Act. Section 441j provides the criminal penalty for wilful violations of the Act.

A cursory review of the preliminary facts in this matter indicates there may have been a violation of 2 USC relating to the circumvention of the limitations on contributions.

He suggests that upon completion of the inquiry, if circumstances warrant, the matter should be referred to WILLIAM OLDAKER, General Counsel, Federal Election Commission, for a compliance review to determine if there were any violations of the Federal Election Laws.

Office of Public Communications, Federal Election Commission, furnished the following:

Booklet entitled "Federal Election Campaign Laws"

Federal Election Commission Regulations

The complete documention, as summarized in this memorandum, is being attached hereto.

for ROBERT F. SMITH
Acting Director
Security and Special Investigations Division

Attachments

Letter, dated May 19,1978, from DOROTHY A. SHULTZ

Sworn Signed Statement - DOROTHY A. SHULTZ

Checks and Notes Signed by JO ANN SAUNDERS

Contribution by DOROTHY A. SHULTZ

Deposition of JO ANN SAUNDERS

Report of Investigation & other Documents
State of Florida Commission on Ethics

Newspaper Articles

Federal Election Commission Reports

Federal Election Campaign Laws & Federal Election Commission Regulatio

79040140360

LETTER FROM MRS. DOROTHY A. SHULTZ

TO THE SECRETARY

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Leesburg Fla
May 19, 1978

Mr Bob Bergam,
Agriculture Dept Secretary -
Mr Bergam -
Dear Sir -

You have in your dept a one
Jelnor Saunders, who borrowed money
twenty thousand dollars $20,000.00 from me
Sept 20th 1976, with a promise to pay me
within 90 days.

She was running for 5th dist congress
was defeated by Dick Kelley.

She is now in the agri dept, and refuses
to pay me my money.

I have entered a law suit against her, then
she entered bankruptcy.

Mr Bergam, I am an old lady 68 years old
have had heart surgery, she took my life
savings. I worked hard, at a service station 15 yrs
to save for a retirement. I trusted her, now
she, tells Mr Richard L. Cope Esquire, my att
there, I gave her the money, which is false

79015140363

Mr Cy has all notes she signed, am sure he would give you all information about this case.

I am writing you, asking for your help. Mr Burt Lanier, was discharged for cashing money. He admitted his fault, she is lying about her debt to me.

Could you possibly help me?

Sincerely
Dorothy C. Shultz
909 Oak Drive
Leesburg Fla 32748

Dorothy H Schultz
909 Oak Dr
Leesburg Fla 32748

ORLANDO, FL
P.M.
15 MAY
1978

PROCLAIM LIBERTY
USA 13

Mr Bob Bergam
c/o Agriculture Dept
Washington, D.C.
20500

Personal

SIGNED SWORN STATEMENT

MRS. DOROTHY A. SHULTZ

7 9 0 4 0 1 0 3 6 5

Leesburg, Florida

I, Dorothy A. Shultz, being first duly sworn on oath, make the following statement freely and voluntarily to Michael Tauber, Jr., who has identified himself to me as a Special Agent, Office of Investigation, United States Department of Agriculture, knowing that this statement may be used in evidence. I understand that this statement is not confidential and may be DAS shown to any interested party.

My full name is Dorothy A. Shultz and I reside at 909 Oak Drive, Leesburg, Florida. Because of a health condition I am unable to work and my income consists of my monthly Social Security and a monthly payment I receive from rental property.

I became acquainted with Jo Ann Saunders sometime in 1976, when she was the Democratic candidate for Representative for the 5th Congressional Distirct of Florida. I met her through the local Democratic organization.

Sometime prior to September 20, 1976 Jo Ann Saunders requested that I loan her $20,000. She was having a problem with the State of Florida Ethics Commission in Tallahassee, Florida, because she had lied about her finances. As I had recently sold some stocks at that time I was able to lend her this sum of $20,000 on September 20, 1976. On that day she signed notes promising to repay me the money in 90 days at 6 % interest. Shortly thereafter she sought an additional $2,500 from me, however I did NOT lend her the additional amount of $2,500.

DAS

Dorothy A. Shultz

7904101036

As I was not able to be repaid for the loan of $20,000 on September 20, 1976, I brought a civil action to recover the money in the in the United Sates District Court for the Eastern District of Virginia. In relation to this action, she furnished a depesition to my attorney, Richard L. Cys, Washington, D.C. on March 27, 1978. She has not been thruthful in her answers in this deposition.

Shortly after this deposition she filed a petition of bankruptcy in the Federal Court in Alexandria, Virginia. and my attorney has presented my claim in this matter.

I am in no position that I am able to give anyone a gift in the amount of $20,000. Since my income is limited and I am in poor health I am in need of all available money. I will shortly undergo surgical procedures and I am therefore in dire need of money.

At no time did I tell Jo Ann Saunders that this loan of $20,000 was a gift.

I have read this typewritten statement consisting of three pages, and it is true, complete, and correct to the best of my knowledgeand belief. I have made all necessary corrections and additions and have signed every page.

Dorothy A. Shulz

7904010367

Date: June 2, 1978

Dorothy A. Shultz

DOROTHY A. SHULTZ

Subscribed and sworn to before
me this 2nd day of June 1978.

Michael Tauber Jr.

MICHAEL TAUBER, JR.
Special Agent, OI, USDA

7904014068

CHECKS AND NOTES

SIGNED BY

JO ANN SAUNDERS

7 9 0 4 0 1 4 0 2 6 9

FIRST FEDERAL
SAVINGS AND LOAN ASSOCIATION OF
LAKE COUNTY

LEESBURG, FLORIDA
WILDWOOD, FLORIDA
CLERMONT, FLORIDA
EUSTIS, FLORIDA

No. 18023

SEP. 20 76

63-133
631

PAY

TO THE ORDER OF

Dorothy A. Shultz

SUN FIRST NATIONAL BANK OF LEESBURG
LEESBURG, FLA.

INSURED SAVINGS 100000 CTS

VOID AFTER 60 DAYS

AUTHORIZED SIGNATURE

⑈180236⑈ ⑆0631⑈0133⑆ 2 255 648 0⑈ ⑈0001000000⑈

Dorothy A. Shultz
For Deposit only
Solomon Saunders

27 9 0 4 0 1 1 0 3 7 0

CAB

63-521
631

citizens national bank

№ 151493

Dorothy A. Shultz

LEESBURG, FLORIDA, Sept. 20 1976

PAY TO THE ORDER OF -------Dorothy A. Shultz------ $10,000.00

CITIZENS NAT'L BANK Ten Thousand and 00/100 Dollars

CASHIER'S CHECK

B M Kelly

⑈151493⑈ ⑆063100591⑆ 0 00 701 3⑈ ⑈0001000000.⑈

0 4 0 1 4 0 3 7 1

Dorothy A. Shultz
For Deposit only
For Deposit only
Jackie Spaulding

63-10
966
12
21
966
63-10

DUE

$ _____

LEESBURG, FLORIDA _____ 19 26

_____ AFTER DATE _____ PROMISE

PAY TO THE ORDER OF _____

_____ DOLLARS

AT CITIZENS NATIONAL BANK OF LEESBURG, FLORIDA, For value received, with interest _____

_____ at the rate of _____ per cent per annum until paid.

The Drawer and Endorsers on this note severally waive presentment for payment, protest and notice of protest and non-payment of this note, and the time of payment may be extended from time to time until ultimate payment without the consent or discharge of any Maker or Endorser or any other person liable on this note directly or indirectly.

And should it become necessary to collect this note through an attorney, either of us, whether Maker, Security or Endorser on this note, hereby agree to pay all costs of such collection, including a reasonable attorney's fee.

No. _____ _____ (Seal)

Address _____ _____ (Seal)

DUE

$ _____

LEESBURG, FLORIDA _____ 19 26

_____ AFTER DATE _____ PROMISE

PAY TO THE ORDER OF _____

_____ DOLLARS

AT CITIZENS NATIONAL BANK OF LEESBURG, FLORIDA, For value received, with interest _____

_____ at the rate of _____ per cent per annum until paid.

The Drawer and Endorsers on this note severally waive presentment for payment, protest and notice of protest and non-payment of this note, and the time of payment may be extended from time to time until ultimate payment without the consent or discharge of any Maker or Endorser or any other person liable on this note directly or indirectly.

And should it become necessary to collect this note through an attorney, either of us, whether Maker, Security or Endorser on this note, hereby agree to pay all costs of such collection, including a reasonable attorney's fee.

No. _____ _____ (Seal)

Address _____ _____ (Seal)

CONTRIBUTION

BY

MRS. DOROTHY A. SHULTZ

7904010373

JoAnn SAUNDERS

Congress 5th DIST. DEMOCRAT

This is the one that took my money

Contribute to the JoAnn Saunders Campaign and Receive a MONEY BACK GUARANTEE

Money Back Guarantee

JoAnn Saunders hereby Guarantees that she will represent the people of the Fifth Congressional District of Florida in the U.S. House of Representatives if elected. If the holder of this certificate is not satisfied, his/her money will be refunded.

Ron Shuck, Treasurer

$ 260.00
Amount

6571

Volunteer

Bryan Hope, Chairman

STATE OF FLORIDA COMMISSION ON ETHICS

REPORT OF INVESTIGATION

AND

OTHER DOCUMENTS

7 9 0 4 0 1 4 0 3 7 5

9040140577

State of Florida Commission on Ethics

P.O. Box 6
Tallahassee, Florida 32302

REPORT OF INVESTIGATION

TITLE: In re JoAnn Saunders Candidate for U.S. House of Representatives, District 5 Orlando, Florida	COMPLAINT NO. 76-40 STATUS: Initial/Closed	DATE: 9/27/76
	INVESTIGATION CONDUCTED BY: Bonnie J. Johnson	

SYNOPSIS

Investigation of Complaint No. 76-40 determined that Respondent filed qualification papers on July 19, 1976 with the Department of State, Division of Elections, for candidacy in the United States House of Representatives, District Five race. On that date she filed a notarized statement certifying that she previously had filed a Statement of Financial Disclosure for the tax year ending December 31, 1975. On August 6, 1976 Respondent executed a Statement of Financial Disclosure for the 1975 tax year and forwarded a copy of said disclosure statement to Mr. Dennis Conrad, a reporter with the Leesburg Daily Commercial. The original of the August 6 disclosure statement was forwarded to the Division of Elections by cover letter dated September 10, 1976 and was received in the office of the Secretary of State on September 14, 1976. No evidence was uncovered during the investigation of a Statement of Financial Disclosure for the 1975 tax year having been executed prior to August 6, 1976 or filed with the Department of State prior to September 14, 1976.

Distribution:	Releasing Authority:
Ethics Commission--1 copy with Exhibits (Action) Accused--1 copy with Exhibits (Info) Complainant--1 copy with Exhibits (Info) File--1 copy with Exhibits	Lawrence G. Gonzalez Executive Director

DETAILS

1. This investigation was ordered by the State of Florida Commission on Ethics on September 24, 1976 based upon a complaint dated September 22, 1976 and submitted by Mr. Jack Conlon (Complainant) of 1386 Kingston Road, Longwood, Florida.

2. Complainant alleges that Mrs. JoAnn Saunders (Respondent), Candidate for the United States House of Representatives, Fifth Congressional District, failed to file a Statement of Financial Disclosure within the time period required by law, based upon Complainant's having personally checked with the Division of Elections in the office of the Secretary of State. Complainant further alleges that Respondent filed an Affidavit of Inability to Pay, stating that she was unable to pay the required filing fee; but, based on news media accounts and other information, Complainant believes that Respondent was able financially to meet the filing fee. A reproduced copy of the Complaint and its attachment is affixed hereto and labeled Exhibit A.

3. Complainant cites Florida Statute §112.3145 as the statutory section of the Code of Ethics which he believes to have been violated by Respondent. The pertinent subsection of that statute is as follows:

> A person seeking nomination or election to a state or local elective office shall file a statement of financial interests together with, and at the same time he files, his qualifying papers. Fla. Stat. §112.3145(2)(a)(1975).

The term "state officer" is defined by the Code of Ethics as follows:

> All elected public officers, to include those elected to the United States Senate and House of Representatives, not covered elsewhere in this part and any person appointed to fill a vacancy for an unexpired term in such an elective office. Fla. Stat. §112.3145(1)(c)1.(1975).

It is further required by law that "[s]tate officers, specified employees, and persons seeking to qualify as candidates for state office shall file their statements of financial interests with the Secretary of State." Fla. Stat. §112.3145(2)(c)(1975).

4. Records of the Florida Department of State, Division of Elections, Tallahassee, Florida, disclose that on July 19, 1976 Respondent signed and submitted a sworn statement, notarized by Division Director Mary L. Singleton, certifying that her financial disclosure statement for the tax year ending December 31, 1975 previously had been filed with the Department of State. Copy of that sworn statement is attached hereto as Exhibit B.

5. Records of the Florida Department of State, Division of Elections, further reveal that by letter dated September 10, 1976 to the Division, Respondent transmitted a Statement of Financial Disclosure for the tax year ending December 31, 1975. The form, dated August 6, 1976 and signed by Respondent, was received in the office of the Secretary of State on September 14, 1976, one week after the September 7 primary election. In her letter of transmittal Respondent explains that the form inadvertently had been filed away after her office made a copy of it for Mr. Dennis Conrad, a reporter with the Leesburg Daily Commercial newspaper. A transmittal letter to Mr. Conrad dated August 5, 1976 was attached for verification. Both letters and the statement of disclosure are affixed hereto as Exhibit C.

6. Besides those items described in numbers 4 and 5 above, Respondent's file in the office of the Secretary of State contained a statement of financial disclosure for the tax year ending December 31, 1974, on which Respondent lists herself as a candidate for the U. S. House of Representatives, Fifth District, and a copy of a 1973 income tax return jointly filed by Respondent and her spouse. These documents are attached hereto as Exhibit D. No other documents were contained in Respondent's file.

7. Mr. Miller Newton, Democratic candidate for the U. S. House of Representatives, Fifth Congressional District, was interviewed by telephone on September 24, 1976. He reported that Respondent qualified for office on July 19, 1976. He later discovered that at that time she filed a certificate, notarized by Division Director Mary Singleton, that she had already filed financial disclosure for the 1975 tax year. It was not until after the primary election, he said, that it was brought to his attention that no disclosure for that period was in Respondent's file in the Secretary of State's office. It was his understanding that Mrs. Singleton notified Respondent after the election that her file contained no disclosure statement, whereupon Respondent's secretary telephoned the Division to report that it was her (the secretary's) fault that the form had not been filed. Mr. Miller subsequently heard, however, that early in August Respondent had told Mr. Dennis Conrad, reporter for the Leesburg Daily Commercial, that because she was a candidate for federal office, she did not have to file financial disclosure required by state law. He further expressed his view that regardless of blame for the form not being filed in August, it should have been filed on or before July 19 in order for Respondent to have qualified to run for office.

   Mr. Newton further related that he felt Respondent's disclosure statement, filed in September, was not truthfully completed as a $175,000 court judgment against her must be in excess of her net worth although it is not disclosed on her Statement of Financial Disclosure. Mr. Newton opined that Respondent intentionally failed to file disclosure in order not to report this debt and others arising from court actions, as the cases have political overtones which might have hurt her campaign efforts.

   Mr. Newton also reported that a local tax district candidate in Hillsborough County had been removed from the ballot because he inadvertently filed his Statement of Financial Disclosure with the Circuit Court Clerk rather than with the Secretary of State as required. Mr. Newton expressed that if a candidate could be denied a place on the ballot for so technical and unintentional a violation, he (Mr. Newton) could not understand how the Division of Elections could retain Respondent's name on the ballot in view of her similarly having failed to qualify by virtue of not filing financial disclosure as required by law. Moreover, he felt, her having certified to have filed when she in fact had not evidences an intention to deceive both the Division and the public.

8. Mr. Dennis Conrad, reporter for the Leesburg Daily Commercial, 212 East Main Street, Leesburg, Florida, was interviewed on the evening of September 26, 1976. Mr. Conrad reported that in early August he decided to write a news story on the financial interests of candidates. Congressman Kelly previously had provided him with an unsolicited copy of his income tax return, Mr. Conrad advised, and he therefore requested from other candidates in the fifth congressional district race copies of their returns. At this time Mr. Conrad was not aware that candidates for federal office are required to file financial disclosure with the Secretary of State's office in Tallahassee and, accordingly, he did not check there for information.

   Mr. Conrad advised that he telephoned Respondent's campaign headquarters and spoke with Mr. George Saunders, campaign manager for and husband of Respondent. In response to Mr. Conrad's request for a net worth statement and a copy of the candidate's income tax return, Mr. Saunders expressed reluctance, stating that the couple's accountant was away on vacation until after Labor Day. Mr. Conrad told him that other candidates had furnished him financial information and suggested that it "wouldn't look good" if Respondent were the only candidate who refused to do so. After several telephone conversations with Mr. Saunders, the latter finally agreed to provide Mr. Conrad with a disclosure statement. He pointed out, however, that he had spoken with the Federal Elections Commission and had been advised by that office that candidates for federal office are not required to comply with state election laws. He advised Mr. Conrad that although Mrs. Saunders was not required to make financial disclosure, she nevertheless would forward the information to him. Mr. Conrad advised that he received by registered mail on Saturday, August 7, 1976, a copy of Respondent's Statement of Financial Disclosure signed and dated August 6, 1976 and accompanied by a cover letter signed by Respondent and dated August 5, 1976. (See Exhibit C, previously referenced.)

After having received a copy of the disclosure form from Respondent, Mr. Conrad again telephoned her campaign headquarters and spoke with Mr. Saunders, advising him that the form was of little use to him in writing a story as the response in each section was "None." Additional information was not provided, however.

Mr. Conrad advised that he had not been aware that Respondent was required to file disclosure as a part of qualifying until her opponent made an issue of the matter some time later. At that time Mr. Conrad again contacted the Saunders campaign headquarters and spoke with Mr. Saunders, who advised that the original of the disclosure form had been forwarded to Tallahassee at the time a copy had been mailed to him, Mr. Conrad.

Mr. Conrad stated that during his conversations with Mr. Saunders in early August, the latter never mentioned that financial disclosure had been filed previously with the Secretary of State's office. Mr. Saunders' reluctance to provide financial information, in addition to his comments relative to having spoken with the Federal Elections Commission, left Mr. Conrad with the impression that no filing had been made because Respondent and her campaign manager believed the disclosure law to be inapplicable to her. He is "convinced," he reported, that Mr. Saunders knew no disclosure had been filed at the time of their early August telephone conversations.

Mr. Conrad further expressed some doubt as to whether Respondent's Statement of Financial Disclosure, received in the office of the Secretary of State on September 14, 1976, adequately represented her financial situation. Mr. Saunders had announced publicly, Mr. Conrad reported, that he and his wife had a joint checking account, the funds in which were available to her at any time for campaign purposes. Mr. Conrad felt that perhaps these holdings were subject to disclosure as intangible personal property, and that other jointly held interests might have been subject to disclosure as well. He acknowledged, however, that this could be determined only if one had full financial information so as to be able to ascertain the percentage thresholds.

9. Mr. Jack Conlon (Complainant), 1386 Kingston Road, Longwood, Florida, was interviewed on the evening of September 26, 1976. Mr. Conlon reported that he is a registered Independent, did not vote in the primary election, and was not actively involved in political campaigns. He stated that he is not acquainted either with Respondent or with her Democratic opponent, Mr. Miller Newton.

He first became interested in the matter, Mr. Conlon advised, as a result of having read media accounts of Respondent's petition drive and alleged failure to file financial disclosure at the time of qualifying. He wrote the office of the Secretary of State requesting copies of material in Respondent's file, and consulted his personal attorney as to the mandate of the law. He received from his attorney a copy of "A Guide to the Code of Ethics for Public Officers and Employees" and, based on information contained therein, telephoned the office of the Commission on Ethics and asked to receive a complaint form. Upon reading that Respondent's opponent, Mr. Newton, had filed suit in circuit court relative to the matter, Mr. Conlon telephoned Mr. Newton and asked why he had gone to court rather than to the Ethics Commission, which seemed to have statutory jurisdiction. He was advised by Mr. Newton that Commission proceedings were lengthy and therefore probably would not be completed until after the general election. After conferring with his attorney, Mr. Conlon decided to file a complaint and did so on September 22, 1976.

Mr. Conlon advised that he was disturbed more by Respondent's filing an Affidavit of Inability to Pay and substituting petitions for the filing fee than he was about the late filing of financial disclosure. He further advised, however, that he felt there may have been a connection between the two, i.e., that Respondent "was not prepared to file financial disclosure in July" for reasons relating to the Affidavit of Inability to Pay and therefore sought to circumvent the disclosure requirement. Mr. Conlon advised that he has no first-hand knowledge of Respondent's actual financial situation, but media accounts of court cases and campaign loans suggested to him that she was able to meet the filing fee requirement. He further stated that it was his understanding of the law that she was not qualified to seek election without having filed financial disclosure.

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State of Florida *Commission on Ethics*

P.O. Box 6
Tallahassee, Florida 32302

CONFIDENTIAL

THE ATTACHED INVESTIGATOR'S REPORT CONCERNS AN ALLEGED VIOLATION OF THE CODE OF ETHICS PURSUANT TO CHAPTER 112, PART III, FLORIDA STATUTES. THIS REPORT AND EXHIBITS ATTACHED THERETO ARE MARKED CONFIDENTIAL UNLESS OTHERWISE ANNOTATED, PURSUANT TO 112.324(1) FLORIDA STATUTES. RECLASSIFICATION OF THE REPORT AND EXHIBITS THERETO FROM CONFIDENTIAL TO "PUBLIC RECORD" MAY ONLY BE DONE IN ACCORDANCE WITH FLORIDA STATUTE S. 112.324(2)(1975) UNLESS PROHIBITED BY S. 112.324(3) THEREOF.

CONFIDENTIAL

DECLARED PUBLIC RECORD
ON 10-11-76

CE Form 57

10. On August 27, 1976, Mrs. JoAnn Saunders (Respondent), 2123 Alameda, Orlando, Florida, and Mr. George Saunders, her husband and campaign manager, of the same address, were interviewed in the presence of their attorney, Mr. T. Michael Woods, Suite 1530, CNA Tower, 255 South Orange Avenue, Orlando. Mrs. Saunders stated that on July 19, 1976, when she signed a statement certifying that her financial disclosure for the 1975 tax year was on file with the Department of State, she believed said disclosure to have been made at the time she filed the paperwork for qualification by petition. She stated that on July 19 she was assisted by Mrs. Mary Singleton, Director of the Division of Elections, in submitting her qualification papers. Mrs. Singleton presented her with a number of papers to be signed, Respondent advised, including the statement of certification that disclosure had been made. In response to specific inquiry, Respondent said that she was not asked whether she had filed disclosure previously, but was merely presented with the statement certifying such for her signature. It was a confusing time, she reported, with television cameras and many news reporters in the Division office. Two campaign aides were with her, she reported, and the three of them thought everything had been taken care of. Before leaving, however, she asked Mrs. Singleton if her papers were in order and was assured that they were.

Respondent denied ever expressing to anyone the belief that the disclosure law was not applicable to her as a candidate for federal office. Upon being asked to recount her association with Mr. Dennis Conrad of the Leesburg Daily Commercial, Respondent said that Mr. Saunders had on all occasions spoken with the reporter and that perhaps he could respond more fully.

Mr. George Saunders advised that in early August Mr. Conrad contacted the JoAnn Saunders campaign headquarters and requested from him financial information on the Respondent for use in writing a news story. Mr. Saunders did not know whether Mr. Conrad had sought such information in the Secretary of State's office prior to telephoning the campaign headquarters. Upon agreeing to furnish a copy of the disclosure form to Mr. Conrad, Mr. Saunders stated that he could not locate a copy in the office files and assumed it to have been lost. As they had extra copies of the disclosure form, another was completed and a copy of it mailed to Mr. Conrad. Mr. Saunders said that he gave the completed form to Ms. Winnie Semon, campaign secretary, and asked her to make a copy to send to Mr. Conrad and to "file" the original, intending that she forward it to the Secretary of State's office. When it was later reported that no disclosure was on file with the Secretary of State, Mr. Saunders checked the campaign office files and discovered the original there, where it had been "filed" by Ms. Semon.

Both Mr. and Mrs. Saunders said that they did not contact the Division of Elections in early August as to whether or not a disclosure was on file. After talking with Mr. Conrad, however, Mr. Saunders telephoned the Federal Elections Commission to determine whether the filing of disclosure would violate any federal elections laws. That office informed Mr. Saunders that federal laws governing candidates superceded state law and that disclosure was not required of candidates for federal office. Mr. Saunders verified that he related this conversation to Mr. Conrad, but that they nonetheless completed a disclosure form and forwarded a copy to him for use in his news story. Upon being asked why he would seek such advice of the Federal Elections Commission in August if he believed a disclosure form already to have been filed prior to July 19, Mr. Saunders explained that it had not occurred to him earlier as the campaign had not received a copy of the federal elections laws until June.

11. On September 27, 1976, Ms. Winnie Semon, 2705 Windward Court, Orlando, Florida, was interviewed in the presence of Mr. T. Michael Woods, attorney. Ms. Semon reported that she serves as an office worker in Respondent's campaign, preparing financial statements and serving as Mrs. Saunders' personal secretary. She stated that she accompanied Respondent to Tallahassee on July 19, 1976 and was with her at the time she qualified with the Division of Elections. Ms. Semon stated that there had been a great deal of confusion in the Division office that day and that Mrs. Singleton, who personally qualified Mrs. Saunders, had appeared somewhat unsure of exactly what should be filed. She recalled that there had been many papers to sign and that the statement certifying that

disclosure previously had been filed was among them. She further related that Mr. Bob DeWitt of Brooksville was the third person in the party at the time of qualifying. Before leaving the Elections Division, Mrs. Singleton had assured them that everything was in order. Ms. Semon returned a short while later, however, to double check and was personally assured again by Mrs. Singleton that everything was complete.

Ms. Semon furnished this investigator with a copy of an undated memorandum from Mrs. Singleton to Respondent notifying her that she had obtained ballot position by meeting the petitioning requirements of Section 99.095, Florida Statutes. Ms. Semon believes, but is not sure, that the memorandum was given to them on July 19 before they left Tallahassee. A copy of that memorandum if attached hereto as Exhibit E.

Ms. Semon further reported that she spoke with Mrs. Singleton by telephone in September to explain that she had erred in filing the disclosure statement in the office files rather than with the Division of Elections. At that time, Ms. Semon said, Mrs. Singleton expressed that she couldn't understand why the Division had not discovered the error earlier as they carefully check all papers. She also expressed her feeling that Respondent was not entirely at fault relative to the failure to file financial disclosure.

12. On September 24, 1976, Mr. Ormund Powers, political analyst for the Orlando Sentinel Star, was contacted by telephone to arrange for an interview, as he had been named in the complaint as possibly having knowledge of matters alleged in that complaint. Mr. Powers was advised of the confidential nature of complaints in the preliminary investigation stage before the Commission, and was asked if he would be able to abide by such restrictions and sign the statement acknowledging familiarity with the law prior to being interviewed. At that time he said that he would, and an interview was arranged for 9:30 a.m. Monday morning, September 27, 1976, in his office in Orlando.

Upon arriving in Mr. Powers' office at the appointed time, this investigator read to him the prepared statement relative to confidentiality and asked that he sign such statement after having read it carefully. Mr. Powers advised that he preferred to discuss the matter with his editor before signing and, taking a copy of the statement with him, departed for such purpose. He returned approximately ten minutes later to report that he would be unable to sign the statement as it potentially would interfere with his duties as a reporter. The interview thus was concluded. At no time was Mr. Powers apprised of the subject or nature of the complaint.

13. Mrs. Mary L. Singleton, Director, Division of Elections, Department of State, Tallahassee, Florida, was unavailable for a personal interview during the investigatory period due to her daughter's illness and hospitalization. Request was made of Mr. Stephen M. Slepin, legal counsel to the Divison of Elections, that Mrs. Singleton execute an affidavit at her convenience as to her knowledge of facts relating to the complaint. Such affidavit was executed by Mrs. Singleton on September 27, 1976 and is attached hereto as Exhibit F.

CLOSED

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76-40

CONFIDENTIAL

STATE OF FLORIDA

COMMISSION ON ETHICS

P. O. BOX 6 · TALLAHASSEE · FLORIDA · 32302

DATE REC'D
SEP 22 1976
ETHICS COMMISSION

COMPLAINT

I. PERSON BRINGING COMPLAINT

Name: Jack Conlon

Address: 1386 Kinston Road

City: Longwood County: Seminole Zip Code: 32750

Telephone Number: 831-3009 Area Code: 305

II. PERSON AGAINST WHOM COMPLAINT IS BROUGHT:

Name: JoAnn Saunders

Address: 2123 Alameda

City: Orlando County: Orange Zip Code:

Telephone Number: 295-0112 Area Code: 305

Title of office or position held or sought: United States House of Representatives
Fifth Congressional District

III. VIOLATION:

List the statutory section(s) of the Code of Ethics (Part III, Chapter 112, F. S., 1974 Supp., amended by Ch. 75-196 or 75-208, Laws of Florida) which you believe has been violated by the person named in paragraph II above:

Florida Statute 112.3145

IV. STATEMENT OF FACTS:

State in your own words the detailed facts and the actions of the person named in paragraph II which prompt you to make this complaint. The brief space provided below is not intended to limit your statement of facts. Please use the back of this form or additional sheets if necessary. Include relevant dates and times and the names and addresses of other persons whom you believe have knowledge of the facts:

See attached sheet

(If continued on other side or on additional sheets, please check here ____ .)

STATE OF FLORIDA
COUNTY OF ORANGE

OATH

I, Jack Conlon, the person bringing this complaint, being first duly sworn, do depose on oath and say that the facts set forth in the foregoing complaint are true and correct as therein stated.

Jack Conlon

Sworn to and subscribed before me this 22nd day of Sept., 19 76.

Joan R. Alford
Notary Public, State of Florida at Large.
My Commission Expires April 10, 1979
Signature of Officer Authorized to Administer Oaths

WARNING: This complaint is confidential. Disclosure of your intention to file a complaint or the existence or contents of a complaint or document or any action or proceeding of the Ethics Commisssion in connection with a confidential preliminary investigation of the Commission constitutes a misdemeanor of the first degree.

CE FORM 50 · Eff. 7/23/75

ATTACHMENT "A"

Upon reading and hearing various accounts in the news media concerning actions of JoAnn Saunders, I personally checked with an employee of the Office of the Secretary of State, Division of Elections, to verify the following:

1. JoAnn Saunders did not file the Financial Disclosure Form within the time prescribed by Florida law.

2. JoAnn Saunders filed an Affidavit of Inability to Pay, setting forth that she was unable to pay the required filing fee.

Upon information and belief, and particularly news media accounts, it would appear to this Complainant that JoAnn Saunders had the ability to pay the required filing fee.

In addition to the Claimant, it would appear that candidate Miller Newton, who is a candidate for the same office, and political writer for the Sentinel Star Ormund Powers, and various other reporters and staff members of the Sentinel Star, have knowledge of the facts and matters set forth above.

STATE OF FLORIDA
COUNTY OF ORANGE

I, JACK CONLON, the person bringing this Complaint, being first duly sworn, do depose on oath and say that the facts set forth in the foregoing Complaint and Attachment "A," are true and correct as therein stated.

Jack Conlon

Jack Conlon

Sworn to and subscribed before me this 22nd day of September, 1976.

Joan L. Alford

Notary Public
My Commission Expires:
My Commission Expires Aug 16, 1979
Bonded by Surety Insurance Company

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State of Florida

Department of State

I, Bruce A. Smathers Secretary of State of the State of Florida, do hereby certify

that the attached papers are true and correct copies of Mrs. JoAnn Saunders Financial Disclosure filed with this office September, 1976, as well as her statement of July 19, 1977, certifying that she had previously filed with the Department of State.

Given under my hand and the Great Seal of the State of Florida at Tallahassee, the Capital, this the 19th day of May A. D. 19 77.

Bruce A. Smathers

Secretary of State

elec-12
1-7-75

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JoAnn SLUNDERS

Candidate for Congress
5th District Dem.

September 10, 1976

Ms. Wilma Ferrell
Division of Elections
Secretary of the State
The Capitol
Tallahassee, Florida

Dear Ms. Ferrell:

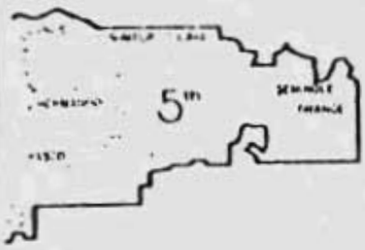
As per our conversation of today I am enclosing the Statement of Financial Disclosure. This form was inadvertently filed away after making a copy for Mr. Dennis Conrad of the Daily Commercial, Leesburg. A copy of our letter to Mr. Conrad is attached for verification.

We apologize if this has caused you any inconvenience.

Sincerely,

Winnie Semon

Winnie Semon, Staff



P. O. Box 70 o Orlando, Florida 32802 o Phone (305) 422-3886

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.

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I, John Saunders, do hereby certify that my financial disclosure statement pursuant to Chapter 112, Florida Statutes, for the tax year ending December 31, 1975, has been previously filed with the Department of State.

John Saunders
Signature of Candidate

Subscribed and sworn to before me this 19 day of July, 1976.

Mary L. Singleton
Notary Public

Notary Public, State of Florida at Large
My Commission Expires June 24, 1980
Bonded by American Ins. Agency, Inc.

RECEIVED
JUL 19 10 35 AM 1976
DEPARTMENT OF STATE
TALLAHASSEE, FLORIDA

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STATEMENT OF FINANCIAL DISCLOSURE

DISCLOSURE PERIOD FOR TAX YEAR ENDING December 31, 1975

Name: Saunders (LAST) Doris "JoAnn" (FIRST) (MIDDLE) Telephone: 305-295-0112 (A/C) (NUMBER)

Address: 2123 Alameda Ave. (STREET) Orlando (CITY) 32804 (ZIP CODE) Orange (COUNTY)

PART B

Filing as a: (X) Candidate; ( ) Local Officer; ( ) State Officer; ( ) Specified Employee

Agency is a unit of [check one]: ( ) State of Florida (X) County, City or Other Political Subdivision

Name of Agency: _____

Position Held or Sought: Representative to the U. S. Congress 5th Congressional Dist. of Florida

If filing as a candidate, when will the term you are seeking begin? Jan. 3, 1977 end? Jan. 2, 1979

If filing as a state or local officer or specified employee, when did the position begin? _____

If your position terminated during the past year or since your last disclosure filing, indicate termination date: _____

PART C

PRIMARY SOURCES OF INCOME [*Required by §112.3145(3)(a), Florida Statutes, 1975*]

Please list below in descending order with the largest source first, the name, address and principal business activity of every source of your income which exceeded five percent (5%) of the gross income you received or any person received for your benefit or use during the disclosure period excluding public salary. If continued on a separate sheet, please check here ( ).

NAME OF SOURCE OF INCOME	ADDRESS	DESCRIPTION OF THE PRINCIPAL BUSINESS ACTIVITY
None		

RECEIVED 1976 JAN 29 AM 9 46 DEPARTMENT OF STATE TALLAHASSEE, FLORIDA

PART D

BUSINESS ENTITY'S SOURCES OF INCOME [*Required by §112.3145(3)(b), Florida Statutes, 1975*]

If during the disclosure period (a) you owned, directly or indirectly, in excess of 5% of the total assets or capital stock of any business entity, AND (b) if you received in excess of 10% of your gross income from the business entity, please list below every source of income of the business entity which exceeded in value ten percent (10%) of the business entity's gross income (computed on the basis of the business entity's fiscal year). You are NOT required in this part to list sources of income of a business entity if you received less than $1,500 from the business entity during the disclosure period.

A "source" in this part refers to any customer, client or other category of income production which meets the minimum percentage requirements noted above. If continued on a separate sheet, please check here ( ).

NAME OF SOURCE OF BUSINESS ENTITY'S INCOME	ADDRESS	DESCRIPTION OF THE SOURCE'S PRINCIPAL BUSINESS ACTIVITY
None		

PART E

DEBTS IN EXCESS OF NET WORTH [*Required by §112.3145(3)(c), Florida Statutes, 1975*]

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SECTION 2—INTANGIBLE PERSONAL PROPERTY

give a general description of any intangible personal property in which you hold an interest having a value in excess percent (10%) of your total assets. Intangible personal property means all personal property which is not in itself in-ically valuable, but which derives its chief value from that which it represents, such as: money, certificates of deposit, shier's and certified checks, bills of exchange, drafts and similar instruments, stocks or shares of incorporated or unin orporated companies, business trusts, mutual funds, beneficial interests in a trust, notes, bonds, and other obligations for the payment of money. Your general description should include the type of property as noted above and, if applicable, the name of the business entity to which the intangible property relates. For example: Stock, General Motors; Cash or Certificate of Deposit, First National Bank of Metropolis, Florida. No amounts need be stated. If continued on a separate sheet, please check here ( ).

TYPE OF INTANGIBLE	BUSINESS ENTITY TO WHICH THE PROPERTY RELATES
None	

PART G

GIFTS [*Required by §112.3145(3)(d), Florida Statutes, 1975*]

Please list below the name, address, and principal business activity of all persons, business entities or other organizations from whom you received any gift or gifts, the total of which exceeded $100 from any one source during the disclosure period. Your benefactors must be listed in descending order of value with the largest source first. If you have received a preferential interest rate substantially below the customary and usual rate charged at the time the debt was incurred, the difference between the preferential and customary rate is deemed to be a gift. You are NOT required to list gifts disclosed as an elected official pursuant to §111.011, F.S., nor gifts received from your parent, grandparent, sibling, child, spouse, or from a spouse of any of the foregoing, or gifts received by bequest or devise, or campaign contributions. If continued on a separate sheet, please check here ( ).

NAME	ADDRESS	DESCRIPTION OF THE PRINCIPAL BUSINESS ACTIVITY
None		

PART H

MAILING INSTRUCTIONS

This form, when completed and signed, should be sent to the Clerk of the Circuit Court of the county in which you are principally employed or a resident if you are a local officer or candidate for local office; or with the Secretary of State if you are a state officer, specified employee or candidate for state office.

PART I

Joldeen Thornton
SIGNATURE OF PERSON DISCLOSING

August 6 1976
DATE SIGNED

NOTICE: UNDER PROVISIONS OF SECTION 112.317, FLORIDA STATUTES, 1975, A FAILURE TO MAKE ANY REQUIRED DICLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED $5 000.

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JoAnn SAUNDERS

Candidate for Congress
5th District Dem.

September 10, 1976

Ms. Wilma Ferrell
Division of Elections
Secretary of the State
The Capitol
Tallahassee, Florida

Dear Ms. Ferrell:

As per our conversation of today I am enclosing the Statement of Financial Disclosure. This form was inadvertently filed away after making a copy for Mr. Dennis Conrad of the Daily Commercial, Leesburg. A copy of our letter to Mr. Conrad is attached for verification.

We apologize if this has caused you any inconvenience.

Sincerely,

Winnie Semon

Winnie Semon, Staff

Orlando, Florida 32802 o Phone (305) 422-3886

is filed with the Federal Election Commission and is available
Federal Election Commission, Washington, D.C.

EXHIBIT C

FORM 1 STATEMENT OF FINANCIAL DISCLOSURE

DISCLOSURE PERIOD FOR TAX YEAR ENDING December 31, 1975

PART A

Name: Saunders (LAST) Doris "JoAnn" (FIRST) (MIDDLE) Telephone: 305-295-0112 (A/C) (NUMBER)

Address: 2123 Alameda Ave., (STREET) Orlando (CITY) 32804 (ZIP CODE) Orange (COUNTY)

PART B

Filing as a: (X) Candidate; ( ) Local Officer; ( ) State Officer; ( ) Specified Employee

Agency is a unit of [check one]: ( ) State of Florida (X) County, City or Other Political Subdivision

Name of Agency:

Position Held or Sought: Representative to the U. S. Congress 5th Congressional Dist. of Florida

If filing as a candidate, when will the term you are seeking begin? Jan. 3, 1977 end? Jan. 2, 1979

If filing as a state or local officer or specified employee, when did the position begin?

If your position terminated during the past year or since your last disclosure filing, indicate termination date:

PART C

PRIMARY SOURCES OF INCOME [*Required by §112.3145(3)(a), Florida Statutes, 1975*]

Please list below in descending order with the largest source first, the name, address and principal business activity of every source of your income which exceeded five percent (5%) of the gross income you received or any person received for your benefit or use during the disclosure period excluding public salary. If continued on a separate sheet, please check here ( ).

NAME OF SOURCE OF INCOME	ADDRESS	DESCRIPTION OF THE PRINCIPAL BUSINESS ACTIVITY
None		

RECEIVED 9 46 AM 1976 DEPARTMENT OF STATE TALLAHASSEE, FLORIDA

PART D

BUSINESS ENTITY'S SOURCES OF INCOME [*Required by §112.3145(3)(b), Florida Statutes, 1975*]

If during the disclosure period (a) you owned, directly or indirectly, in excess of 5% of the total assets or capital stock of any business entity, AND (b) if you received in excess of 10% of your gross income from the business entity, please list below every source of income of the business entity which exceeded in value ten percent (10%) of the business entity's gross income (computed on the basis of the business entity's fiscal year). You are NOT required in this part to list sources of income of a business entity if you received less than $1,500 from the business entity during the disclosure period.

A "source" in this part refers to any customer, client or other category of income production which meets the minimum percentage requirements noted above. If continued on a separate sheet, please check here ( ).

NAME OF SOURCE OF BUSINESS ENTITY'S INCOME	ADDRESS	DESCRIPTION OF THE SOURCE'S PRINCIPAL BUSINESS ACTIVITY
None		

PART E

DEBTS IN EXCESS OF NET WORTH [*Required by §112.3145(3)(c), Florida Statutes, 1975*]

Please list below the name and address of each creditor to whom you were indebted at any time during the disclosure period in an amount which exceeded your net worth. You are not required to list the amount of any indebtedness or your net worth. If continued on a separate sheet, please check here ( ).

NAME OF CREDITOR	ADDRESS OF CREDITOR
None	

PART F

REAL AND INTANGIBLE PERSONAL PROPERTY [*Required by §112.3145(3)(c), Florida Statutes, 1975*]

SECTION 1—REAL PROPERTY

Please list below the location or legal description of all real property, excluding residence and vacation homes, in which you own in excess of five percent (5%) of the property's most recently assessed value. If continued on a separate sheet, please check here ( ).

None

SECTION 2—INTANGIBLE PERSONAL PROPERTY

Please give a general description of any intangible personal property in which you hold an interest having a value in excess of ten percent (10%) of your total assets. Intangible personal property means all personal property which is not in itself intrinsically valuable, but which derives its chief value from that which it represents, such as: money, certificates of deposit, cashier's and certified checks, bills of exchange, drafts and similar instruments, stocks or shares of incorporated or unincorporated companies, business trusts, mutual funds, beneficial interests in a trust, notes, bonds, and other obligations for the payment of money. Your general description should include the type of property as noted above and, if applicable, the name of the business entity to which the intangible property relates. For example: Stock, General Motors; Cash or Certificate of Deposit, First National Bank of Metropolis, Florida. No amounts need be stated. If continued on a separate sheet, please check here ( ).

TYPE OF INTANGIBLE	BUSINESS ENTITY TO WHICH THE PROPERTY RELATES
None	

PART G

GIFTS [*Required by §112.3145(3)(d), Florida Statutes, 1975*]

Please list below the name, address, and principal business activity of all persons, business entities or other organizations from whom you received any gift or gifts, the total of which exceeded $100 from any one source during the disclosure period. Your benefactors must be listed in descending order of value with the largest source first. If you have received a preferential interest rate substantially below the customary and usual rate charged at the time the debt was incurred, the difference between the preferential and customary rate is deemed to be a gift. You are NOT required to list gifts disclosed as an elected official pursuant to §111.011, F.S., nor gifts received from your parent, grandparent, sibling, child, spouse, or from a spouse of any of the foregoing, or gifts received by bequest or devise, or campaign contributions. If continued on a separate sheet, please check here ( ).

NAME	ADDRESS	DESCRIPTION OF THE PRINCIPAL BUSINESS ACTIVITY
None		

PART H

MAILING INSTRUCTIONS

This form, when completed and signed, should be sent to the Clerk of the Circuit Court of the county in which you are principally employed or a resident if you are a local officer or candidate for local office; or with the Secretary of State if you are a state officer, specified employee or candidate for state office.

PART I

[illegible] Simmons
SIGNATURE OF PERSON DISCLOSING

August 6 1976
DATE SIGNED

NOTICE: UNDER PROVISIONS OF SECTION 112.317, FLORIDA STATUTES, 1975, A FAILURE TO MAKE ANY REQUIRED DICLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED $5,000

August 5, 1976

Mr. Dennis Conrad
Daily Commercial
Leesburg, Fl. 32748

Dear Dennis:

I have enclosed a copy of my Statement of Financial Disclosure as you requested and I have filled it out in accordance to laws of the State of Florida.

As a further explanation to you I own a 50% interest in the $14,000.00 equity of our home and I also own 50% interest of our Campaign Van and personal property, furniture and etc., in our home.

My husband has divested himself of most of his interest in business and is spending full time working on my Campaign.

If I can be of further assistance to you please do not hesitate to call.

Sincerely,

Joann Saunders

JS:ws

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STATE OF FLORIDA
COMMISSION ON ETHICS

FORM 1

FINANCIAL DISCLOSURE STATEMENT

For Tax Year Ending 12/31, 1974

Name JoAnn Saunders Telephone 295-0112

Address 2500 Forest Club Drive, Orlando Orange
(street) (city) (county)

Check the appropriate box or boxes below indicating whether you are filing as a public officer, candidate, or both, and indicate the title of the position held or sought:

a. [ ] Public Officer: _____ (title of position)

b. [x] Candidate: U.S. House of Representives-Fifth District (title of position)

If filing as a public officer, indicate dates of present term:

a. Present term began: _____ (month) _____ (year)

b. Present term ends: _____ (month) _____ (year)

If filing as a candidate indicate dates of term sought:

a. Term begins: January (month) 1975 (year)

b. Term ends: January (month) 1977 (year)

You may select one of two alternative methods of financial disclosure:

1) You may complete items 1 through 6 of this form, OR

2) You may file a current financial statement on Federal Reserve Form CB-110A together with a copy of your latest federal income tax return. Indicate by checking the appropriate box which method of financial disclosure you have selected:

a. [x] Completion of items 1 through 6 below.

b. [ ] Filing of Federal Reserve Form CB-110A together with your latest federal income tax return. If you select this method of disclosure, read and sign the following certification and attach Federal Reserve Form CB-110A and your tax return to this page. The following certification shall be used in lieu of the certification at the end of Federal Reserve Form CB-110A.

RECEIVED
AUG 5 3 35 PM 1974
DEPARTMENT OF STATE
TALLAHASSEE, FLORIDA

CERTIFICATION

I hereby certify that the information contained in Federal Reserve Form CB-110A and the income tax return attached hereto is true to my best knowledge and belief.

_____ (Date of filing)

JoAnn Saunders (Signature)

CE Form 1-7/1/74

EXHIBIT D

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SOURCES OF INCOME

1. Name every source of income, including money or things of value, that produced 10% or more of your gross income for the preceding taxable year. You do NOT have to name or list as a source any dividends, interest, moneys received from guardianship, alimony, child support, retirement compensation, disability compensation, or any compensation (including wages) from any level of government service, but you must include them in calculating your gross income. Do NOT include, as gross income or as sources of income, money or things of value given to you by your spouse or campaign contributions which are authorized by Florida law and which are expended for campaign purposes. "Source" refers to a normal category of income production, such as a medical or law practice, a store, or salary and wages from a non-government employment. List sources in descending order of importance with the largest source first.

NAME OF SOURCE OF INCOME	ADDRESS	DESCRIPTION OF THE PRINCIPAL BUSINESS ACTIVITY
None		

SOURCES OF BUSINESS ENTITY INCOME

2. If, during the preceding taxable year

a) you owned, directly or indirectly, 10% or more of the total assets or capital stock of any business entity, AND

b) you received $1,500.00 or more income from that business entity, AND

c) that income constituted 15% or more of your gross income as calculated in Question 1,

then you must report every source of income of that business entity which produced 15% or more of that business entity's gross income. List sources in descending order of importance with the largest source first.

NAME OF SOURCE OF BUSINESS ENTITY'S INCOME	ADDRESS	DESCRIPTION OF THE PRINCIPAL BUSINESS ACTIVITY OF THE BUSINESS ENTITY
None		

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9 9 0 4 0 1 4 0 4 0 2

Secretary of State

STATE OF FLORIDA
THE CAPITOL
TALLAHASSEE 32304
(904) 488-8472

BRUCE A. SMATHERS

Mary L. Singleton, Director
Division of Elections

MEMORANDUM

TO: Jo Ann Saunders

FROM: Mary L. Singleton

SUBJECT: Notification of Ballot Position - Section 99.095, F. S.

This is to notify you that you have obtained ballot position by meeting the petitioning requirements of Section 99.095, Florida Statutes.

Upon receipt of this notification, you must immediately (within five days) submit a copy of this notification and your qualifying papers to the officer with whom candidates qualify for the office you are seeking. You will then qualify as other candidates with the exception that no filing fee or party assessment will be levied against you.

MLS/sr

cc: Clerk of the Circuit Court
Board of County Commissioners

EXHIBIT F

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7904014040

IN THE

FLORIDA ETHICS COMMISSION

RE: JoAnn Saunders
Candidate, U. S. Congress
Fifth Congressional District

DATE REC'D
SEP 27 1976
ETHICS COMMISSION

AFFIDAVIT

STATE OF FLORIDA)
: ss
COUNTY OF LEON)

PERSONALLY APPEARED before me, the undersigned officer duly authorized to take acknowledgments and administer oaths, MARY L. SINGLETON, who being first duly sworn, deposes and says:

(1) I am sui juris, serve as Director of the Division of Elections, Department of State, and have so served since June 10, 1976.

(2) On July 19, 1976, Mrs. JoAnn Saunders qualified personally before me at the office of the Division of Elections, Tallahassee, Florida. Her qualification papers or petitions lacked a STATEMENT OF FINANCIAL DISCLOSURE. When this was brought to the attention of Mrs. Saunders, she declared that such statement of financial disclosure had been filed with the Division of Elections. Accordingly, in keeping with administrative procedures designed to facilitate qualification of candidates, Mrs. Saunders was asked to execute an affidavit declaring that she had previously filed a financial disclosure with the Department of State for the tax year ending December 31, 1975. (That affidavit is attached hereto and incorporated herein as exhibit A.)

(3) On September 10, 1976, pursuant to telephone discussion between JoAnn Saunders and personnel of the Division of Elections we discovered that the last statement of financial disclosure filed in this office by Mrs. Saunders was in 1974. On

EXHIBIT F

September 10, 1976, a representative of Mrs. Saunders accordingly, forwarded to this office a statement of financial disclosure. (Letter of September 10, 1976 from Ms. Semon to Ms. Ferrell is attached hereto and incorporated herein as exhibit B.)

(4) The aforesaid statement of financial disclosure, dated August 6, 1976, was thereafter received in this office representing the disclosure period for the tax year ending December 31, 1975. (That statement of financial disclosure, represented by two xeroxed sheets is attached hereto and incorporated herein as composite exhibit C.)

(5) The undersigned has spoken to neither Mrs. Saunders nor Mr. Saunders since July 19, 1976.

(6) The undersigned was contacted by a representative of the candidate who declared, by telephone, that a mistake had been made by the candidate or her campaign, whereby the statement of financial disclosure had been placed on file in the candidate's office rather than placed on file with the Division of Elections.

(7) On September 14, 1976, at the instance of Mr. Bill Offutt, the undersigned executed an affidavit (a copy of which is attached hereto and incorporated herein as exhibit D.)

Mary L. Singleton
MARY L. SINGLETON
DIRECTOR, DIVISION OF ELECTIONS
DEPARTMENT OF STATE

Sworn to and subscribed before me this 27th day of September, 1976, at Tallahassee, Leon County, Florida.

Jacqueline Elaine Elderidge
NOTARY PUBLIC
STATE OF FLORIDA AT LARGE
My Commission Expires:
Notary Public, State of Florida at Large
My Commission Expires June 23, 1977
Bonded by American Fire & Casualty Co.

7904014040

EXHIBIT "A"

I, John Saunders, do hereby certify that my financial disclosure statement pursuant to Chapter 112, Florida Statutes, for the tax year ending December 31, 1975, has been previously filed with the Department of State.

John Saunders
Signature of Candidate

Subscribed and sworn to before me this 19 day of July, 1976.

Mary L. Singleton
Notary Public

Notary Public, State of Florida at Large
My Commission Expires June 28, 1980
Bonded by American Ins. & Surety Company

RECEIVED
JUL 19 10 35 AM 1976
DIVISION OF ELECTIONS
DEPARTMENT OF STATE
TALLAHASSEE, FLORIDA

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EXHIBIT "B"

JoAnn SAUNDERS

Candidate for Congress
5th District Dem.

September 10, 1976

Ms. Wilma Ferrell
Division of Elections
Secretary of the State
The Capitol
Tallahassee, Florida

Dear Ms. Ferrell:

As per our conversation of today I am enclosing the Statement of Financial Disclosure. This form was inadvertently filed away after making a copy for Mr. Dennis Conrad of the Daily Commercial, Leesburg. A copy of our letter to Mr. Conrad is attached for verification.

We apologize if this has caused you any inconvenience.

Sincerely,

Winnie Semon

Winnie Semon, Staff

P.O. Box 70 ▫ Orlando, Florida 32802 ▫ Phone (305) 422-3886

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.

EXHIBIT "C"

FORM 1 STATEMENT OF FINANCIAL DISCLOSURE

DISCLOSURE PERIOD FOR TAX YEAR ENDING December 31, 1975

PART A

Name: Saunders (LAST) Doris "JoAnn" (FIRST) (MIDDLE) Telephone: 305-295-0112 (A/C) (NUMBER)

Address: 2123 Alameda Ave., (STREET) Orlando (CITY) 32804 (ZIP CODE) Orange (COUNTY)

PART B

Filing as a: (X) Candidate; ( ) Local Officer; ( ) State Officer; ( ) Specified Employee

Agency is a unit of [check one]: ( ) State of Florida (X) County, City or Other Political Subdivision

Name of Agency:

Position Held or Sought: Representative to the U. S. Congress 5th Congressional Dist. of Florida

If filing as a candidate, when will the term you are seeking begin? Jan. 3, 1977 end? Jan. 2, 1979

If filing as a state or local officer or specified employee, when did the position begin?

If your position terminated during the past year or since your last disclosure filing, indicate termination date:

PART C

PRIMARY SOURCES OF INCOME [*Required by §112.3145(3)(a), Florida Statutes, 1975*]

Please list below in descending order with the largest source first, the name, address and principal business activity of every source of your income which exceeded five percent (5%) of the gross income you received or any person received for your benefit or use during the disclosure period excluding public salary. If continued on a separate sheet, please check here ( ).

NAME OF SOURCE OF INCOME	ADDRESS	DESCRIPTION OF THE PRINCIPAL BUSINESS ACTIVITY
None		

RECEIVED 1976 JAN 9 AM 9:46 DEPARTMENT OF STATE TALLAHASSEE, FLORIDA

PART D

BUSINESS ENTITY'S SOURCES OF INCOME [*Required by §112.3145(3)(b), Florida Statutes, 1975*]

If during the disclosure period (a) you owned, directly or indirectly, in excess of 5% of the total assets or capital stock of any business entity, AND (b) if you received in excess of 10% of your gross income from the business entity, please list below every source of income of the business entity which exceeded in value ten percent (10%) of the business entity's gross income (computed on the basis of the business entity's fiscal year). You are NOT required in this part to list sources of income of a business entity if you received less than $1,500 from the business entity during the disclosure period.

A "source" in this part refers to any customer, client or other category of income production which meets the minimum percentage requirements noted above. If continued on a separate sheet, please check here ( ).

NAME OF SOURCE OF BUSINESS ENTITY'S INCOME	ADDRESS	DESCRIPTION OF THE SOURCE'S PRINCIPAL BUSINESS ACTIVITY
None		

PART E

DEBTS IN EXCESS OF NET WORTH [*Required by §112.3145(3)(c), Florida Statutes, 1975*]

Please list below the name and address of each creditor to whom you were indebted at any time during the disclosure period in an amount which exceeded your net worth. You are not required to list the amount of any indebtedness or your net worth. If continued on a separate sheet, please check here ( ).

NAME OF CREDITOR	ADDRESS OF CREDITOR
None	

ART F

EAL AND INTANGIBLE PERSONAL PROPERTY [*Required by §112.3145(3)(c), Florida Statutes, 1975*]

SECTION 1—REAL PROPERTY

Please list below the location or legal description of all real property, excluding residence and vacation homes, in which you own in excess of five percent (5%) of the property's most recently assessed value. If continued on a separate sheet, please check here ( ).

None

SECTION 2—INTANGIBLE PERSONAL PROPERTY

Please give a general description of any intangible personal property in which you hold an interest having a value in excess of ten percent (10%) of your total assets. Intangible personal property means all personal property which is not in itself intrinsically valuable, but which derives its chief value from that which it represents, such as: money, certificates of deposit, cashier's and certified checks, bills of exchange, drafts and similar instruments, stocks or shares of incorporated or unincorporated companies, business trusts, mutual funds, beneficial interests in a trust, notes, bonds, and other obligations for the payment of money. Your general description should include the type of property as noted above and, if applicable, the name of the business entity to which the intangible property relates. For example: Stock, General Motors; Cash or Certificate of Deposit, First National Bank of Metropolis, Florida. No amounts need be stated. If continued on a separate sheet, please check here ( ).

TYPE OF INTANGIBLE	BUSINESS ENTITY TO WHICH THE PROPERTY RELATES
None	

ART G

IFTS [*Required by §112.3145(3)(d), Florida Statutes, 1975*]

Please list below the name, address, and principal business activity of all persons, business entities or other organizations from whom you received any gift or gifts, the total of which exceeded $100 from any one source during the disclosure period. Your benefactors must be listed in descending order of value with the largest source first. If you have received a preferential interest rate substantially below the customary and usual rate charged at the time the debt was incurred, the difference between the preferential and customary rate is deemed to be a gift. You are NOT required to list gifts disclosed as an elected official pursuant to §111.011, F.S., nor gifts received from your parent, grandparent, sibling, child, spouse, or from a spouse of any of the foregoing, or gifts received by bequest or devise, or campaign contributions. If continued on a separate sheet, please check here ( ).

NAME	ADDRESS	DESCRIPTION OF THE PRINCIPAL BUSINESS ACTIVITY
None		

ART H

AILING INSTRUCTIONS

This form, when completed and signed, should be sent to the Clerk of the Circuit Court of the county in which you are principally employed or a resident if you are a local officer or candidate for local office; or with the Secretary of State if you are a state officer, specified employee or candidate for state office.

ART I

Joseph Saunders
SIGNATURE OF PERSON DISCLOSING

August 6 1976
DATE SIGNED

OTICE: UNDER PROVISIONS OF SECTION 112.317, FLORIDA STATUTES, 1975, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED $1,000.

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EXHIBIT "D"

September 14, 1976

TO WHOM IT MAY CONCERN

A search of the records was made of JoAnn Saunders campaign file as requested by Bill Offutt.

The following items were found to be on file:

1- Financial Disclosure Statement - 1974
2- Sworn affidavit (Certifying Financial Disclosure Statement was on file)
3- Letter and Financial Statement - 1976

Sworn to and subscribed before me this 14th day of September, 1976, at Tallahassee, Leon, County, Florida.

Notary Public

Mary L. Singleton
Director
Division of Elections

MEMORANDUM

Larry Gonzalez
Page 2

[See Exhibit C]. Said letter of Winnie Semon was received in the office of the Division of Elections on September 14, 1976, one week after the first primary elections. On September 27, 1976, Mary L. Singleton, Director of the Division of Elections, Department of State, executed her affidavit which, in paragraph (2) thereof, affirms that on July 19, 1976, the Accused filed her qualifications papers at the office of the Division of Elections and that the Accused's qualifying papers lacked a statement of financial disclosure. Additionally, in paragraph (3) of the instant affidavit, Mary L. Singleton further affirms that the financial disclosure statement of the Accused was not on file in the office of the Division of Elections until forwarded in the letter of Winnie Semon under date of September 10, 1976. Based upon the foregoing, the Prosecutor hereby recommends that:

> Based upon a preliminary investigation, the Commission on Ethics finds probable cause to believe that Part III of Chapter 112, F.S., [specifically, §112.3145, F.S.] was violated by Jo Ann Saunders, candidate for the United States House of Representatives, Fifth congressional District, as alleged in complaint #76-40 in that there is a probable cause to believe that Jo Ann Saunders failed to file the required financial disclosure statements together with, and at the same time, she filed her qualifying papers. The Commission directs staff to notify the complainant and the alleged violator in wirting of this finding of probable cause; to signify as public records such notification and all documents made or received in the disposition of complaint #76-40; and to conduct further investigation, if necessary, and if a hearing is requested by the alleged violator within 14 days following the mailing of the notification.

Section 112.3145(1)(c)1, F.S., states:

> (c) "State officer" means:
>
> 1. All elected public officers, to include [those elected to] the United States Senate

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CONFIDENTIAL

State of Florida Commission on Ethics

P.O. Box 6
E. HARRIS DREW
Chairman

Tallahassee, Florida 32302

(904) 488-7864
LAWRENCE A. GONZALEZ
Executive Director

MEMORANDUM

TO: LARRY GONZALEZ

FROM: BARRY SILBER

DATE: OCTOBER 11, 1976

RE: PROSECUTOR'S RECOMMENDATION
#76-40 -- In re JO ANN SAUNDERS

Pursuant to Commission Rule 34-5.05(3), F.A.C., the preliminary investigation has been reviewed by the Prosecutor. This investigation was prompted by a complaint received from one Jack Conlon (Complainant), alleging a violation of §112.3145, F.S., by Lo Ann Saunders (Accused(, as a candidate for the United States House of Representatives, Fifth Congressional District. The Accused, Jo Ann Saunders, is alleged to have failed, in her capacity as a candidate for the aforementioned office, to have filed the required financial disclosures within the time prescribed by Florida law, the closing date for qualification as a candidate, which fell on July 20, 1976 for the period of time in question in this case.

Investigation reveals that on July 19, 1976, the Accused signed and submitted to the Florida Department of State, Division of Elections, a sworn statement certifying that her financial disclosure statement for the tax year ending December 31, 1975 had previously been filed with the Department of State. [See Exhibit B]. Investigation further reveals that the Florida Department of State, Division of Elections, received a letter under date of September 10, 1976, from one Winnie Semon, staff person to the accused submitting a financial disclosure form on the Accused's behalf and stating that the form had previously been "inadvertently filed away after making a copy for Mr. Dennis Conrad of the Daily Commercial, Leesburg." A copy of the Accused's letter of transmittal of a copy of her financial disclosure form to Mr. Conrad, under date of August 5, 1976, is also attached.

5

MEMORANDUM

> and House of Representatives, not covered elsewhere in this part and any person who is appinted to fill a vacancy for an unexpired term in such an elective office.

Section 112.3145(2)(a), F.S., states:

> A person seeking nomination or election to a state or local [elective] office shall file a statement of financial interests together with, and at the same time he files, his qualifying papers.

cc: Counsel for Accused
Accused
Complainant

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State of Florida Commission on Ethics

Room 338, Holland Building
DONALD H. REED, JR.
Chairman

P.O. Box 6
Tallahassee, Florida 32302

(904) 488-7864
LAWRENCE A. GONZALEZ
Executive Director

May 20, 1977

RECEIVED
MAY 20 1977
STATE ATTY. OFFICE

The Honorable Harry Morrison
State Attorney
Second Judicial Circuit
Leon County Courthouse
Tallahassee, Florida 32301

Dear Mr. Morrison:

The State of Florida Commission on Ethics has directed me to forward to your office for further investigation, evidence concerning a possible commission of perjury or false swearing by Ms. JoAnn Saunders. This action is taken pursuant to Section 112.324 (5), Florida Statutes which states:

> In addition to reporting its findings to the proper disciplinary body or official, the commission shall report these findings to the State Attorney or any other appropriate official or agency having authority to initiate prosecution when violation of criminal law is indicated.

Accordingly, the complete file in this matter is being hand delivered to you on this date for your investigation and appropriate action.

If this office may be of any assistance concerning this matter, please do not hesitate to contact us. In addition you may wish to know that the Assistant Attorney General who prosecuted the complaint before the Ethics Commission is Mr. Barry Silber.

Sincerely,

Lawrence A. Gonzalez

Lawrence A. Gonzalez
Executive Director

LAC/dg

cc: Mr. Barry Silber

Don L. Asher | DuBose Ausley | Paul R. Brown, M.D. | John A. Grant, Jr.
Lois Harrison | Charlotte F. Hubbard | Ed H. Price, Jr. | James A. Sebesta

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State of Florida *Commission on Ethics*

Room 338, Holland Building
DONALD H. REED, JR.
Chairman

P.O. Box 6
Tallahassee, Florida 32302

(904) 488-7864
LAWRENCE A. GONZALEZ
Executive Director

I the undersigned received Commission on Ethics File 76-40 on May 20, 1977, with the understanding the File is to be returned to the above agency when action is completed by the State Attorney's Office, Second Judicial Circuit.

Laurel A. Johnston

RECEIVED
MAY 20 1977
STATE
ATTORNEYS OFFICE

Don L. Asher
DuBose Ausley
Paul R. Brown, M.D.
John A. Grant, Jr.
Lois Harrison
Charlotte F. Hubbard
Ed H. Price, Jr.
James A. Sebesta

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STATE OF FLORIDA

COMMISSION ON ETHICS

Complaint No. 76-40	)	
	)	FINDINGS
In re JoANN SAUNDERS	)	

FINDINGS OF FACT

The Commission found that a violation of Part III, Chapter 112, Florida Statutes, specifically Section 112.3145, occurred in that JoAnn Saunders, in her capacity as candidate for United States House of Representatives, Fifth Congressional District, State of Florida, failed to file the required financial disclosure statement together with, and at the same time she filed, her qualifying papers.

CONCLUSION OF LAW

The Commission determined that the only penalty provided within Section 112.317(1)(c), Florida Statutes for candidates found in violation of Section 112.3145 is "disqualification from being on the ballot." Inasmuch as JoAnn Saunders was defeated in her bid for election and is no longer a candidate, there is no penalty the Commission could recommend be imposed on her at this point in time.

FINAL ORDER

Accordingly, the Commission will take no further action regarding JoAnn Saunders in this matter. However, the Commission voted pursuant to Section 112.324(5), Florida Statutes, to refer to the State Attorney, Second Judicial Circuit, State of Florida, information which is a part of the Commission file in this matter, indicating the possible commission of false swearing in the contradiction between a sworn affidavit executed by JoAnn Saunders regarding the filing of her financial disclosure forms at the time she qualified as a candidate and an affidavit contained within the Commission file from the Director of the Division of Elections and other evidence of record.

Lawrence A. Gonzalez
Lawrence A. Gonzalez
Executive Director

CERTIFICATE OF SERVICE

I certify that a copy hereof has been furnished by United States mail to Mr. Ben F. Patterson, Attorney at Law, 1215 Thomasville Road, Tallahassee, Florida, 32303 and Mr. Jack Conlon, 1386 Kingston Road, Longwood, Florida, 32750, this 20th day of May, 1977.

Lawrence A. Gonzalez
Lawrence A. Gonzalez
Executive Director

STATE OF FLORIDA, COUNTY OF LEON
I HEREBY CERTIFY that the above and foregoing is a true and correct copy of a No True Bill Presentment filed in my office on the 10th day of Aug. A.D. 1977 and recorded in Book ___ page ___ of Aug. 1977
E. HARRISON, Clerk Circuit Court
By Charlotte W. Lewis D.C.

IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT, IN AND FOR LEON COUNTY, FLORIDA. SPRING TERM, IN THE YEAR OF OUR LORD ONE THOUSAND NINE HUNDRED AND SEVENTY-SEVEN.

77-883

In Re:

JO ANN SAUNDERS REFERRAL FROM THE COMMISSION ON ETHICS

NO TRUE BILL PRESENTMENT

FILED AUG 10 2 28 PM 1977

IN THE NAME OF AND BY THE AUTHORITY OF THE STATE OF FLORIDA:

The Grand Jurors of the State of Florida, empaneled and sworn to inquire and true presentment make in and for the County of Leon, after having heard the testimony of material witnesses and having reviewed the files of the State of Florida Commission on Ethics concerning a "possible commission of perjury or false swearing", doth find as follows:

1. When qualifying as a candidate for the House of Representatives of the United States Congress, one Mrs. Jo Ann Saunders, on July 19, 1976, signed an affidavit certifying that her financial disclosure statement for the year ending December 31, 1975, had been previously filed with the Department of State. This affidavit was notarized by Mrs. Mary L. Singleton, Director of the Division of Elections of the Department of State.

2. The required Statement of Financial Disclosure was not signed by Mrs. Jo Ann Saunders until August 6, 1976, and through alleged clerical misfiling by a campaign staff member was not received by the Department of State until September 14, 1976.

3. Florida Statutes 837.012 and 837.02 relating to perjury contain required elements that must be strictly construed, including that the statement be false, and under oath, and in regard to a material matter, and that the person so swearing does not believe such statement to be true.

4. The affidavit was under oath, and contained a statement obviously false, in regard to a material matter, but we

find insufficient evidence, and only speculation, that Mrs. Jo Ann Saunders did not believe her statement to be true.

WHEREFORE, your Grand Jurors being fully advised in these premises, and after careful deliberations, do not find a probability of conviction to exist, and therefore return this NO TRUE BILL Presentment, and further make these observations:

1. Candidates for elective office should strictly comply with all election laws, and such candidate must be held personally accountable for all representations and for the conduct or advices or his or her staff.

2. Although affidavits are not uncommon and are allowed to speed up the qualifying process, when so used the accuracy of such affidavits should be given priority in checking by the Division of Elections, or their practice of allowing such affidavits should be eliminated or changed.

The Grand Jury says nothing further in the premises.

Respectfully submitted,

William R Jones
Grand Jury Foreman

ATTEST:

Beverly Sue Wallace
Grand Jury Clerk

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((Rec'd 10-22-76 lc Dept of State

EMERGENCY RULES

1. COMMISSION ON ETHICS Rule No. 34 ER 76-17

SPECIFIC REASONS FOR FINDING AN IMMEDIATE DANGER TO PUBLIC HEALTH, SAFETY AND WELFARE:

Under Article VI, Florida Constitution, 1968, qualified citizens are entitled to vote in general elections. The next general election in the State of Florida is on Tuesday, November 2, 1976.

Pursuant to Section 112.322, Florida Statutes, it is the duty of the Florida Commission on Ethics to receive and investigate sworn complaints of violations of the Code of Ethics.

Pursuant to Section 112.3145(6), Florida Statutes, a person seeking nomination or election to public office shall file a statement of financial interests together with, and at the same time he files, his qualifying papers.

A sworn complaint has been filed with the Commission on Ethics pursuant to Florida Statute §112.324 concerning the failure to comply with Section 112.3145, Florida Statutes, by Mrs. Jo Ann Saunders, a candidate for public office. Pursuant to Section 112.324, Florida Statutes, a preliminary investigation has been conducted by the Commission and it has been determined that the facts alleged in the previously filed complaint constitute probable cause to believe that a violation of the Code of Ethics has occurred.

Upon a finding by the Commission at a public hearing of a violation, such violation would constitute grounds for and may be punished by disqualification from being on the ballot.

Therefore, a final determination of the complaint and the facts alleged therein as to their veracity and a determination of whether the law has been violated and a recommendation of penalty must be made no later than five days before the general election so that sufficient time is allowed to print the final election ballots. Without the proposed emergency rule the question before the Commission could be rendered moot with the passage of time beyond the November 2, 1976 general election.

At present, Florida Commission on Ethics Rule 34-5.13 does not allow timely enforcement of existing financial disclosure laws because said rule requires at least a thirty (30) days notice of public hearing before the Commission may hold a public hearing and make findings of fact and deliberations upon recommendations for disciplinary action as to the sworn complaint.

If this rule is not amended to allow only reasonable notice in situations where the thirty day notice requirement might or would render moot a decision of the Florida Commission on Ethics, the interests of the people of Florida in enforcement of existing financial disclosure laws will be denied.

The proposed amendment of Rule 34-5.13 will promote certainty and the prompt, orderly determination of the qualifications of a candidate for elective office, while preserving the requirements of the United States and Florida Constitutions and Florida Statutes of reasonable notice before a fair hearing.

REASONS WHY PROCEDURE IS FAIR UNDER THE CIRCUMSTANCES:

Immediate action is necessary in order to protect Florida electors and the candidates involved in the November 2, 1976 election to provide all notice reasonably possible given the

emergency circumstances involved. Representatives of all affected parties have had input into this rulemaking process through a public hearing held on October 22, 1976 and previously through telegraphic and telephonic media. All major wire services have been contacted concerning the notice of the rulemaking and the substance of the emergency rules and the major newspaper in the vicinity of the meeting has also been given notice.

SUMMARY:

In any complaint proceeding following a finding of probable cause where the giving of 30 days notice will or may render moot the ultimate disposition of the pending complaint, the Commission may on its own motion set a public hearing of the matter giving less than 30 days notice, so long as Respondent is given reasonable notice under the circumstances.

DATE AND TIME OF EFFECTIVENESS:

Immediately

General Authority - §120.53(1)(b), (c), F.S.

Law Implemented - §§112.324 and 112.322(2), F.S., as amended by Ch. 76-89, Laws of Florida.

Copy of Emergency Rules may be obtained by writing to Mr. Lawrence A. Gonzalez, Executive Director, Commission on Ethics, Post Office Box 6, Tallahassee, Florida, 32302.

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STATE OF FLORIDA
DEPARTMENT OF LEGAL AFFAIRS
OFFICE OF THE ATTORNEY GENERAL
THE CAPITOL
TALLAHASSEE, FLORIDA 32304

ROBERT L. SHEVIN
Attorney General

December 22, 1976

Honorable Donald H. Reed, Jr.
Chairman
Florida Commission on Ethics
Boca Raton Federal Building
555 South Federal Highway
Boca Raton, Florida 33432

Re: Saunders v. Reed, N.D. Fla. No. TCA 76-179

Dear Don:

Enclosed is a copy of Judge Stafford's December 21, 1976, order granting partial summary judgment in favor of the Commission. Judge Stafford concluded that the filing requirements of §112.3145, F.S., did not create, in violation of the United States Constitution, an additional qualification for congressional office. He also stated that the section was not preempted by the Federal Campaign Act.

A status hearing or conference is set for February 17, 1977, on the apparently only remaining issue of damages. Thus, any Florida congressional candidate must file a personal financial disclosure form at the time of qualification for the respective office.

Since the judicial proceeding is at least partially still pending, I would recommend that the Commission not proceed any further in the JoAnn Saunders administrative case. Once Judge Stafford issues a final order, the Commission could then properly determine what course of action, if any, it would like to take.

I sincerely appreciate the cooperation extended this Office by you, the Commission members and Commission staff, in preparing and successfully litigating this case. If you have any questions regarding the litigation, please do not hesitate to contact me.

Sincerely,

ROBERT L. SHEVIN
ATTORNEY GENERAL

James D. Whisenand
Deputy Attorney General

JDW/lv

cc: All Commission Members
Larry Gonzalez
Bill Sherrill
Barry Silber

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CODE OF ETHICS
for Public Officers and Employees

Chapter 112, Part III, Florida Statutes

with 1977 Amendments

PART III

CODE OF ETHICS FOR
PUBLIC OFFICERS AND EMPLOYEES

112.311	Legislative intent and declaration of policy.
112.312	Definitions.
112.313	Standards of conduct for public officers and employees of agencies.
112.3141	Additional standards of conduct for public officers.
112.3143	Voting conflicts.
112.3145	Disclosure of financial interests and clients represented before agencies.
112.3146	Public records.
112.3147	Forms.
112.316	Construction.
112.317	Penalties.
112.3175	Remedies; contracts voidable.
112.3191	Short title.
112.320	Commission created; purpose.
112.321	Membership, terms, etc.
112.322	Duties and powers of commission.
112.324	Procedures on complaints of violations.
112.3241	Judicial review.
112.326	Additional requirements by political subdivisions not prohibited.

112.311 Legislative intent and declaration of policy.—

(1) It is essential to the proper conduct and operation of government that public officials be independent and impartial and that public office not be used for private gain other than the remuneration provided by law. The public interest, therefore, requires that the law protect against any conflict of interest and establish standards for the conduct of elected officials and government employees in situations where conflicts may exist.

(2) It is also essential that government attract those citizens best qualified to serve. Thus, the law

against conflict of interest must be so designed as not to impede unreasonably or unnecessarily the recruitment and retention by government of those best qualified to serve. Public officials should not be denied the opportunity, available to all other citizens, to acquire and retain private economic interests except when conflicts with the responsibility of such officials to the public cannot be avoided.

(3) It is likewise essential that the people be free to seek redress of their grievances and express their opinions to all government officials on current issues and past or pending legislative and executive actions at every level of government. In order to preserve and maintain the integrity of the governmental process, it is necessary that the identity, expenditures, and activities of those persons who regularly engage in efforts to persuade public officials to take specific actions, either by direct communication with such officials or by solicitation of others to engage in such efforts, be regularly disclosed to the people.

(4) It is the intent of this act to implement these objectives of protecting the integrity of government and of facilitating the recruitment and retention of qualified personnel by prescribing restrictions against conflicts of interest without creating unnecessary barriers to public service.

(5) It is hereby declared to be the policy of the state that no officer or employee of a state agency or of a county, city, or other political subdivision of the state, and no member of the Legislature or legislative employee, shall have any interest, financial or otherwise, direct or indirect; engage in any business transaction or professional activity; or incur any obligation of any nature which is in substantial conflict with the proper discharge of his duties in the public interest. To implement this policy and strengthen the faith and confidence of the people of the state in their government, there is enacted a code of ethics setting forth standards of conduct required of state, county, and city officers and employees, and of officers and employees of other political subdivisions of the state, in the performance of their official duties. It is the intent of the Legislature that this code shall serve not only as a guide for the official conduct of public servants in this state, but also as a basis for discipline of those who violate the provisions of this part.

(6) It is declared to be the policy of the state that public officers and employees, state and local, are agents of the people and hold their positions for the benefit of the public. They are bound to uphold the Constitution of the United States and the State Constitution and to perform efficiently and faithfully their duties under the laws of the federal, state, and local governments. Such officers and employees are bound to observe, in their official acts, the highest standards of ethics consistent with this code and the advisory opinions rendered with respect hereto regardless of personal considerations, recognizing that promoting the public interest and maintaining the respect of the people in their government must be of foremost concern.

History.—s. 1, ch. 67-469; s. 1, ch. 69-305; s. 1, ch. 74-177; s. 2, ch. 75-208.

112.312 Definitions.—As used in this part, unless the context otherwise requires:

(1) "Advisory body" means any board, commission, committee, council, or authority, however selected, whose total budget, appropriations, or authorized expenditures constitute less than 1 percent of the budget of each agency it serves or $100,000, whichever is less, and whose powers, jurisdiction, and authority are solely advisory and do not include the final determination or adjudication of any personal or property rights, duties, or obligations, other than those relating to its internal operations.

(2) "Agency" means any state, regional, county, local, or municipal government entity of this state, whether executive, judicial, or legislative; any department, division, bureau, commission, authority, or political subdivision of this state therein; or any public school, community college, or state university.

(3) "Business entity" means any corporation, partnership, limited partnership, proprietorship, firm, enterprise, franchise, association, self-employed individual, or trust, whether fictitiously named or not, doing business in this state.

(4) "Candidate" means any person who has filed a statement of financial interest and qualification papers, has subscribed to the candidate's oath as required by s. 99.021, and seeks by election to become a public officer. This definition expressly excludes a committeeman regulated by chapter 103 and persons seeking any other office or position in a political party.

(5) "Commission" means the Commission on Ethics created by s. 112.320 or any successor to which its duties are transferred.

(6) "Conflict" or "conflict of interest" means a situation in which regard for a private interest tends to lead to disregard of a public duty or interest.

(7) "Corruptly" means done with a wrongful intent and for the purpose of obtaining, or compensating or receiving compensation for, any benefit resulting from some act or omission of a public servant which is inconsistent with the proper performance of his public duties.

(8) "Disclosure period" means the taxable year for the person or business entity, whether based on a calendar or fiscal year, immediately preceding the date on which, or the last day of the period during which, the financial disclosure statement required by this part is required to be filed.

(9)(a) "Gift," for purposes of ethics in government and financial disclosure required by law, means real property or tangible or intangible personal property, of material value to the recipient, which is transferred to a donee directly or in trust for his benefit or by any other means.

(b) For the purposes of subsection (a), "intangible personal property" means property as defined in s. 192.001(11)(b).

(10) "Indirect" or "indirect interest" means an interest in which legal title is held by another as trustee or other representative capacity, but the equitable or beneficial interest is held by the person required to file under this part.

(11) "Material interest" means direct or indirect ownership of more than 5 percent of the total assets

or capital stock of any business entity. For the purposes of this act indirect ownership shall not include ownership by a spouse or minor child.

(12) "Materially affected" means involving an interest in real property located within the jurisdiction of the official's agency or involving an investment in a business entity, a source of income or a position of employment, office, or management in any business entity located within the jurisdiction or doing business within the jurisdiction of the official's agency which is or will be affected in a substantially different manner or degree than the manner or degree in which the public in general will be affected or, if the matter affects only a special class of persons, then affected in a substantially different manner or degree than the manner or degree in which such class will be affected.

(13) "Ministerial matter" means action that a person takes in a prescribed manner in obedience to the mandate of legal authority, without the exercise of the person's own judgment or discretion as to the propriety of the action taken.

(14) "Person or business entities provided a grant or privilege to operate" includes state and federally chartered banks, state and federal savings and loan associations, cemetery companies, insurance companies, mortgage companies, credit unions, small loan companies, alcoholic beverage licensees, pari-mutuel wagering companies, utility companies, and entities controlled by the Public Service Commission or granted a franchise to operate by either a city or county government.

(15) "Represent" or "representation" means actual physical attendance on behalf of a client in an agency proceeding, the writing of letters or filing of documents on behalf of a client, and personal communications made with the officers or employees of any agency on behalf of a client.

(16) "Source" means the name, address, and description of the principal business activity of a person or business entity.

(17) "Value of real property" means the most recently assessed value in lieu of a more current appraisal.

History.—s. 2, ch. 67-168; ss. 11, 12, ch. 69-16; s. 8, ch. 69-353; s. 2, ch. 74-177; s. 1, ch. 75-196; s. 2, ch. 75-199; s. 3, ch. 75-205; s. 4, ch. 76-18; s. 1, ch. 77-174.

112.313 Standards of conduct for public officers and employees of agencies.—

(1) DEFINITION.—As used in this section, unless the context otherwise requires, the term "public officer" shall include any person elected or appointed to hold office in any agency, including any person serving on an advisory body.

(2) SOLICITATION OR ACCEPTANCE OF GIFTS.—No public officer or employee of an agency or candidate for nomination or election shall solicit or accept anything of value to the recipient, including a gift, loan, reward, promise of future employment, favor, or service:

(a) That would cause a reasonably prudent person to be influenced in the discharge of official duties.

(b) That is based upon any understanding that the vote, official action, or judgment of the public officer, employee, or candidate would be influenced thereby.

(3) DOING BUSINESS WITH ONE'S AGENCY.—No employee of an agency acting in his official capacity as a purchasing agent, or public officer acting in his official capacity, shall either directly or indirectly purchase, rent, or lease any realty, goods, or services for his own agency from any business entity of which he or his spouse or child is an officer, partner, director, or proprietor or in which such officer or employee or his spouse or child, or any combination of them, has a material interest. Nor shall a public officer or employee, acting in a private capacity, rent, lease, or sell any realty, goods, or services to his own agency, if he is a state officer or employee, or to any political subdivision or any agency thereof, if he is serving as an officer or employee of that political subdivision. The foregoing shall not apply to district offices maintained by legislators when such offices are located in the legislator's place of business. This subsection shall not affect or be construed to prohibit contracts entered into prior to:

(a) October 1, 1975.

(b) Qualification for elective office.

(c) Appointment to public office.

(d) Beginning public employment.

(4) UNAUTHORIZED COMPENSATION.—No public officer or employee of an agency or his spouse or minor child shall, at any time, accept any compensation, payment, or thing of value when such public officer or employee knows, or, with the exercise of reasonable care, should know, that it was given to influence a vote or other action in which the officer or employee was expected to participate in his official capacity.

(5) SALARY AND EXPENSES.—No public officer shall be prohibited from voting on a matter affecting his salary, expenses, or other compensation as a public officer, as provided by law.

(6) MISUSE OF PUBLIC POSITION.—No public officer or employee of an agency shall corruptly use or attempt to use his official position or any property or resource which may be within his trust, or perform his official duties, to secure a special privilege, benefit, or exemption for himself or others. This section shall not be construed to conflict with s. 104.31.

(7) CONFLICTING EMPLOYMENT OR CONTRACTUAL RELATIONSHIP.—

(a) No public officer or employee of an agency shall have or hold any employment or contractual relationship with any business entity or any agency which is subject to the regulation of, or is doing business with, an agency of which he is an officer or employee, excluding those organizations and their officers who, when acting in their official capacity, enter into or negotiate a collective bargaining contract with the state or any municipality, county, or other political subdivision of the state; nor shall an officer or employee of an agency have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between his private interests and the performance of his public duties or that would impede the full and faithful discharge of his public duties.

1. When the agency referred to is that certain kind of special tax district created by general or special law and is limited specifically to constructing, maintaining, managing, and financing improve-

ments in the land area over which the agency has jurisdiction, or when the agency has been organized pursuant to chapter 298, then employment with, or entering into a contractual relationship with, such business entity by a public officer or employee of such agency shall not be prohibited by this subsection or be deemed a conflict per se. However, conduct by such officer or employee that is prohibited by, or otherwise frustrates the intent of, this section shall be deemed a conflict of interest in violation of the standards of conduct set forth by this section.

2. When the agency referred to is a legislative body and the regulatory power over the business entity resides in another agency, or when the regulatory power which the legislative body exercises over the business entity or agency is strictly through the enactment of laws or ordinances, then employment or a contractual relationship with such business entity by a public officer or employee of a legislative body shall not be prohibited by this subsection or be deemed a conflict.

(b) This subsection shall not prohibit a public officer or employee from practicing in a particular profession or occupation when such practice by persons holding such public office or employment is required or permitted by law or ordinance.

(8) DISCLOSURE OR USE OF CERTAIN INFORMATION.—No public officer or employee of an agency shall disclose or use information not available to members of the general public and gained by reason of his official position for his personal gain or benefit or for the personal gain or benefit of any other person or business entity.

(9) DISCLOSURE OF SPECIFIED INTERESTS.—

(a) If a public officer or employee of an agency is an officer, director, partner, proprietor, associate, or general agent (other than a resident agent solely for service of process) of, or owns a material interest in, any business entity which is granted a privilege to operate in this state, he shall file a statement disclosing such facts no later than 45 days after becoming an officer or employee or after the acquisition of such position or material interest. The statement shall give the name, address, and principal business activity of the business entity and shall state the position held with such business entity or the fact that a material interest is owned and the nature of said interest. New appointees to public office or new public employees shall file the statement required herein, if applicable, no later than 30 days after their appointment or after the date their employment begins.

(b) A person seeking to qualify as a candidate for nomination or election to any office shall file a like statement along with, and as a part of, the required qualification papers. The statement shall be filed with the Department of State if the individual is seeking a state office or is a state officer or employee. Persons seeking to qualify as a candidate for nomination or election to office within a political subdivision of the state, the duties and jurisdiction of which are limited to said political subdivision, and officers and employees of such subdivisions, shall file their statements with the Clerk of the Circuit Court of the county in which they are principally employed or are residents.

(10) EMPLOYEES HOLDING OFFICE.—

(a) No employee of a state agency or of a county, municipality, special taxing district, or other political subdivision of the state shall hold office as a member of the governing board, council, commission, or authority, by whatever name known, which is his employer while, at the same time, continuing as an employee of such employer.

(b) The provisions of this subsection shall not apply to any person holding office in violation of such provisions on the effective date of this act. However, such a person shall surrender his conflicting employment prior to seeking reelection or accepting reappointment to office.

(11) PROFESSIONAL AND OCCUPATIONAL LICENSING BOARD MEMBERS.—No officer, director, or administrator of a Florida state, county, or regional professional or occupational organization or association, while holding such position, shall be eligible to serve as a member of a state examining or licensing board for the profession or occupation.

(12) EXEMPTION.—The requirements of subsections (3) and (7) as they pertain to persons serving on advisory boards may be waived in a particular instance by the body which appointed the person to the advisory board, upon a full disclosure of the transaction or relationship and an affirmative vote in favor of waiver by two-thirds vote of that body. In instances in which appointment to the advisory board is made by an individual, waiver may be effected, after public hearing, by a determination by the appointing person and full disclosure of the transaction or relationship by the appointee. In addition, no person shall be held in violation of subsection (3) or subsection (7) if:

(a) Within a city or county the business is transacted under a rotation system whereby the business transactions are rotated among all qualified suppliers of the goods or services within said city or county.

(b) The business is awarded under a system of sealed, competitive bidding to the lowest or best bidder and:

1. The official or his spouse or child has in no way participated in the determination of the bid specifications or the determination of the lowest or best bidder;

2. The official or his spouse or child has in no way used or attempted to use his influence to persuade the agency or any personnel thereof to enter such a contract other than by the mere submission of the bid; and

3. The official, prior to or at the time of the submission of the bid, has filed a statement with the Department of State, if he is a state officer or employee, or with the Clerk of the Circuit Court of the county in which the agency has its principal office, if he is an officer or employee of a political subdivision, disclosing his, or his spouse's or child's, interest and the nature of the intended business.

(c) The purchase or sale is for legal advertising in a newspaper, for any utilities service, or for passage on a common carrier.

(d) An emergency purchase or contract which would otherwise violate a provision of subsection (3)

or subsection (7) must be made in order to protect the health, safety, or welfare of the citizens of the state or any political subdivision thereof.

(e) The business entity involved is the only source of supply within the political subdivision of the officer or employee, and there is full disclosure of the officer's or employee's interest in the business entity to the governing body of the political subdivision.

(f) The total amount of the subject transaction does not exceed $500.

History.—s. 3, ch. 67-469; s. 2, ch. 69-335; ss. 10, 35, ch. 69-106; s. 3, ch. 74-177; ss. 4, 11, ch. 75-208; s. 1, ch. 77-174; s. 1, ch. 77-349.

112.3141 Additional standards of conduct for public officers.—

(1) In addition to the provisions of this part which are applicable to legislators and legislative employees by virtue of their being public officers or employees, the conduct of members of the Legislature and legislative employees shall be governed by the ethical standards provided in the respective rules of the Senate or House of Representatives which are not in conflict herewith.

(2) No full-time legislative employee shall be otherwise employed during the regular hours of his primary occupation, except with the written permission of the presiding officer of the house by which he is employed, filed with the Clerk of the House of Representatives or with the Secretary of the Senate, as may be appropriate. Employees of joint committees must have the permission of the presiding officers of both houses. This section shall not be construed to contravene the restrictions of s. 11.26.

History.—ss. 4, 8, ch. 74-177; s. 5, ch. 75-208.

112.3143 Voting conflicts.—No public officer shall be prohibited from voting in his official capacity on any matter. However, any public officer voting in his official capacity upon any measure in which he has a personal, private, or professional interest and which inures to his special private gain or the special gain of any principal by whom he is retained shall, within 15 days after the vote occurs, disclose the nature of his interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting, who shall incorporate the memorandum in the minutes.

History.—s. 6, ch. 75-208.

112.3145 Disclosure of financial interests and clients represented before agencies.—

(1) For purposes of this section, unless the context otherwise requires:

(a) "Local officer" means:

1. Every person who is elected to office in any political subdivision of the state, and every person who is appointed to fill a vacancy for an unexpired term in such an elective office.

2. Any appointed member of a board, commission, authority, community college district board of trustees, or council of any political subdivision of the state, excluding any member of an advisory body. A governmental body with land-planning, zoning, or natural resources responsibilities shall not be considered an advisory body.

3. Any person holding one or more of the following positions, by whatever title, including persons appointed to act directly in such capacity, but excluding assistants and deputies unless specifically named herein: clerk of the circuit court; clerk of the county court; county or city manager; political subdivision chief; county or city administrator; county or city attorney; chief county or city building inspector; county or city water resources coordinator; county or city pollution control director; county or city environmental control director; county or city administrator, with power to grant or deny a land development permit; chief of police; fire chief; city or town clerk; district school superintendent; community college presidents; or a purchasing agent having the authority to make any purchase exceeding $100 for any political subdivision of the state or any entity thereof.

(b) "Specified employee" means:

1. Public counsel created by chapter 350; an assistant state attorney; an assistant public defender; a full-time state employee who serves as counsel or assistant counsel to any state agency; a judge of industrial claims; and a hearing examiner.

2. Any person employed in the office of the Governor or in the office of any member of the cabinet, if that person is exempt from the career service system, except persons employed in clerical, secretarial, or similar positions.

3. Each appointed secretary, assistant secretary, deputy secretary, executive director, assistant executive director, or deputy executive director of each state department, commission, board, or council; unless otherwise provided, the division director, assistant division director, deputy director, bureau chief, and assistant bureau chief of any state department or division; or any person having the power normally conferred upon such persons, by whatever title.

4. The superintendent or institute director of a mental health institute established for training and research in the mental health field; the superintendent or director of any major state institution or facility established for training, treatment, or rehabilitation; or any person having the power normally conferred on such persons by whatever title.

5. Business managers, purchasing agents, finance and accounting directors, personnel officers, and grants coordinators for any state agency, or persons having the power normally conferred upon such persons, by whatever title.

6. The Auditor General; the Sergeant-at-Arms and Secretary of the Senate; the Sergeant-at-Arms and Clerk of the House of Representatives; the Executive Director of the Joint Legislative Management Committee; the Director of Statutory Revision; and the staff director of each committee of the Legislature.

7. Each employee of the Commission on Ethics.

8. Any full-time state employee who, in addition to his regular duties, accepts compensation which in the aggregate exceeds $250 for consultations with other state agencies or with other government or business entities.

(c) "State officer" means:

1. All elected public officers, to include those elected to the United States Senate and House of Representatives, not covered elsewhere in this part

and any person who is appointed to fill a vacancy for an unexpired term in such an elective office.

2. An appointed member of each board, commission, authority, or council having statewide jurisdiction, excluding a member of an advisory body.

3. A member of the Board of Regents, the Chancellor and Vice Chancellor of the State University System, and the president of a state university.

(2)(a) A person seeking nomination or election to a state or local elective office shall file a statement of financial interests together with, and at the same time he files, his qualifying papers.

(b) Each state or local officer and each specified employee shall file a statement of financial interests no later than 12 o'clock noon of July 15 of each year, including the July 15th following the last year he is in office. Each state or local officer who is appointed and each specified employee who is employed shall file a statement of financial interests within 30 days from the date of appointment or, in the case of specified employees, from the date on which the employment begins, except that any person whose appointment is subject to confirmation by the Senate shall file prior to confirmation hearings or within 30 days from the date of appointment, whichever comes first.

(c) State officers and specified employees shall file their statements of financial interests with the Secretary of State. Local officers shall file their statements of financial interests with the Clerk of the Circuit Court of the county in which they are principally employed or are residents. Persons seeking to qualify as candidates for public office shall file their statements of financial interests with the officer before whom they qualify.

(3) The statement of financial interests for state officers, specified employees, local officers, and persons seeking to qualify as candidates for state or local office shall be filed even if the reporting person holds no financial interests requiring disclosure, in which case the statement shall be marked "not applicable." Otherwise, the statement of financial interests shall include:

(a) All sources of income in excess of 5 percent of the gross income received during the disclosure period by the person in his own name or by any other person for his use or benefit, excluding public salary. However, this shall not be construed to require disclosure of a business partner's sources of income. The person reporting shall list such sources in descending order of value with the largest source first.

(b) All sources of income to a business entity in excess of 10 percent of the gross income of a business entity in which the reporting person held a material interest and from which he received an amount which was in excess of 10 percent of his gross income during the disclosure period and which exceeds $1,500. The period for computing the gross income of the business entity is the fiscal year of the business entity which ended on, or immediately prior to, the end of the disclosure period of the person reporting.

(c) The location or description of real property in this state, except for residences and vacation homes, owned directly or indirectly by the person reporting, when such person owns in excess of 5 percent of the value of such real property, and the general description of any intangible personal property worth in excess of 10 percent of such person's total assets. For the purposes of this paragraph indirect ownership shall not include ownership by a spouse or minor child.

(d) A list of all persons, business entities, or other organizations, and the address and a description of the principal business activity of each, from whom he received a gift or gifts from one source, the total of which exceeds $100 in value during the disclosure period. The person reporting shall list such benefactors in descending order of value with the largest listed first. Gifts received from a parent, grandparent, sibling, child, or spouse of the person reporting, or from a spouse of any of the foregoing; gifts received by bequest or devise; gifts disclosed pursuant to s. 111.011; or campaign contributions which were reported as required by law need not be listed. For purposes of this paragraph a debt on which a preferential rate of interest substantially below the rate charged under the then customary and usual circumstances is charged shall be deemed a gift of an amount equal to the amount represented by the difference between the preferential and customary rate charged on the debt.

(e) Every debt which in sum equals more than the reporting person's net worth.

(4) Each state officer, local officer, and specified employee shall file a quarterly report of the names of clients represented for a fee or commission, except for appearances in ministerial matters, before agencies at his level of government. For the purposes of this part, agencies of government shall be classified as state level agencies or agencies below state level. The report shall be filed only when a reportable representation is made during the calendar quarter and shall be filed no later than 15 days after the last day of the quarter. Representation before any agency shall be deemed to include representation by such officer or specified employee or by any partner or associate of the professional firm of which he is a member and of which he has actual knowledge. For the purposes of this subsection, "representation before any agency" shall not include appearances before any court or judges or commissioners of industrial claims or representations on behalf of one's agency in his official capacity. Such term shall not include the preparation and filing of forms and applications merely for the purpose of obtaining or transferring a license based on a quota or a franchise of such agency or a license or operation permit to engage in a profession, business, or occupation, so long as the issuance or granting of such license, permit, or transfer does not require substantial discretion, a variance, a special consideration, or a certificate of public convenience and necessity.

(5) The Secretary of State shall by mail send a copy of the forms required to be filed by this part, together with a notice of the filing deadlines, to each state officer and specified employee no later than 30 days prior to the filing deadlines. The agency head shall send said forms and notice to each local officer no later than 30 days prior to the filing deadlines. However, the requirements of this subsection shall not apply to candidates or to the first filing required of any state officer, specified employee, or local officer.

[1](6) A public officer who has filed a disclosure for any calendar or fiscal year shall not be required to file a second disclosure for the same year or any part thereof, notwithstanding any requirement of this act, except that any public officer who qualifies as a candidate for public office shall file a copy of his disclosure with the officer before whom he qualifies as a candidate at the time he qualifies.

History.—s. 5, ch. 74-177; ss. 2, 6, ch. 75-196; s. 2, ch. 76-18; s. 1, ch. 77-174; s. 63, ch. 77-175.

[1]Note.—As amended, effective January 1, 1978.

112.3146 Public records.—The statements required by ss. 112.313, 112.3141, and 112.3145 shall be public records within the meaning of s. 119.01.

History.—s. 6, ch. 74-177.

112.3147 Forms.—

(1) All information required to be furnished by ss. 112.313, 112.3141, and 112.3145(4) shall be on forms prescribed by the Commission on Ethics.

(2) The Commission on Ethics shall prescribe a form for the disclosure of information pursuant to s. 112.3145(3) for use by persons not required to file a statement of contributions pursuant to s. 111.011.

(3) The Commission on Ethics and the Department of State shall jointly prescribe a form for use by elected public officers, on which form both the information required to be furnished by s. 111.011 and the information required to be furnished by s. 112.3145(3) shall be disclosed.

History.—s. 7, ch. 74-177; s. 3, ch. 76-18.

112.316 Construction.—It is not the intent of this part, nor shall it be construed, to prevent any officer or employee of a state agency or county, city, or other political subdivision of the state or any legislator or legislative employee from accepting other employment or following any pursuit which does not interfere with the full and faithful discharge by such officer, employee, legislator, or legislative employee of his duties to the state or the county, city, or other political subdivision of the state involved.

History.—s. 6, ch. 67-469; s. 2, ch. 69-335.

112.317 Penalties.—

(1) Violation of any provision of this part, including, but not limited to, any failure to file any disclosures required by this part or violation of any standard of conduct imposed by this part, in addition to any criminal penalty involved, shall, pursuant to applicable constitutional and statutory procedures, constitute grounds for, and may be punished by, one or more of the following:

(a) In the case of a public officer:

1. Impeachment.
2. Removal from office.
3. Suspension from office.
4. Public censure and reprimand.
5. Forfeiture of no more than one-third salary per month for no more than 12 months.
6. A civil penalty not to exceed $5,000.
7. Restitution of any pecuniary benefits received because of the violation committed.

(b) In the case of an employee or a person designated as a public officer by this part who otherwise would be deemed to be an employee:

1. Dismissal from employment.
2. Suspension from employment for not more than 90 days without pay.
3. Demotion.
4. Reduction in salary level.
5. Forfeiture of no more than one-third salary per month for no more than 12 months.
6. A civil penalty not to exceed $5,000.
7. Restitution of any pecuniary benefits received because of the violation committed.
8. Public censure and reprimand.

(c) In the case of a candidate who violates the provisions of s. 112.3145, disqualification from being on the ballot.

(2) In any case in which the commission finds a violation of this part and recommends a civil penalty or restitution penalty, the Attorney General shall bring a civil action to recover such penalty. No defense may be raised in the civil action to enforce the civil penalty or order of restitution that could have been raised by judicial review of the administrative findings and recommendations of the commission by certiorari to the District Court of Appeal.

(3) The penalties prescribed in this part shall not be construed to limit or to conflict with:

(a) The power of either house of the Legislature to discipline its own members or impeach a public officer.

(b) The power of agencies to discipline officers or employees.

(4) Any violation of this part by a public officer shall constitute malfeasance, misfeasance, or neglect of duty in office within the meaning of s. 7, Art. IV of the State Constitution.

(5) By order of the Governor, upon recommendation of the commission, any elected municipal officer who violates any provision of this part may be suspended from office and the office filled by appointment for the period of suspension. The suspended officer may at any time before removal be reinstated by the Governor. The Senate may, in proceedings prescribed by law, remove from office, or reinstate, the suspended official, and for such purpose the Senate may be convened in special session by its president or by a majority of its membership.

(6) Any person who willfully discloses, or permits to be disclosed, his intention to file a complaint, the existence or contents of a complaint which has been filed with the commission, or any document, action, or proceeding in connection with a confidential preliminary investigation of the commission, before such complaint, document, action, or proceeding becomes a public record as provided herein shall be guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(7) In any case in which the commission finds probable cause to believe that a complainant has committed perjury in regard to any document filed with, or any testimony given before, the commission, it shall refer such evidence to the appropriate law enforcement agency for prosecution and taxation of costs.

(8) In any case in which the commission determines that a person has filed a complaint against a public officer or employee with a malicious intent to injure the reputation of such officer or employee and in which such complaint is found to be frivolous and

without basis in law or fact, the complainant shall be liable for costs plus reasonable attorney's fees incurred by the person complained against. If the complainant fails to pay such costs voluntarily within 30 days following such finding and dismissal of the complaint by the commission, the commission shall forward such information to the Department of Legal Affairs, which shall bring a civil action to recover such costs.

History.—s. 7, ch. 67-469; s. 1, ch. 70-144; s. 2, ch. 74-176; s. 8, ch. 74-177; s. 2, ch. 75-199; s. 7, ch. 75-208.

112.3175 Remedies; contracts voidable.—Any contract which has been executed in violation of this part is voidable

(1) By any party to the contract

(2) In any circuit court, by any appropriate action, by:

(a) The commission.

(b) The Attorney General.

(c) Any citizen materially affected by the contract and residing in the jurisdiction represented by the officer or agency entering into such contract.

History.—s. 8, ch. 75-208.

112.3191 Short title.—This act shall be known and cited as "The John J. Savage Memorial Act of 1974."

History.—s. 1, ch. 74-176.

112.320 Commission created; purpose.—There is created a Commission on Ethics, the purpose of which is to serve as guardian of the standards of conduct for the officers and employees of the state, and of a county, city, or other political subdivision of the state, as defined in this part.

History.—s. 2, ch. 74-176.

112.321 Membership, terms, etc.—

(1) The commission shall be composed of nine members. [1]Four of these members shall be appointed by the governor, no more than two of whom shall be from the same political party, subject to confirmation by the senate. One member appointed by the Governor shall be a former city or county official. Two members shall be appointed by the Speaker of the House and two members shall be appointed by the President of the Senate. Neither the Speaker of the House nor President of the Senate shall appoint more than one member from the same political party. No member may hold any public employment. All members shall serve 2-year terms, except that four of the initial members appointed by the governor shall serve 1-year terms. All succeeding appointments shall be for 2 years. Members of the commission shall receive no salary, but shall receive travel and per diem as provided in s. 112.061. The members of the commission shall elect a chairman from their number, who shall serve as chairman for a 1-year term and may not succeed himself as chairman. No member shall serve more than two full terms in succession. Any member of the commission may be removed for cause by majority vote of the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Chief Justice of the Supreme Court.

(2) The commission shall employ, and set the compensation of, an executive director, and he shall be provided with the necessary office space, assistants, and secretaries as required.

History.—s. 2, ch. 74-176; s. 8, ch. 75-199.

[1]Note.—See AGO 076-152, advising that the Governor has authority to appoint the ninth member.

112.322 Duties and powers of commission.—

(1) It is the duty of the Commission on Ethics to receive and investigate sworn complaints of violation of the code of ethics as established in this part, including investigation of all facts and parties materially related to the complaint at issue.

(2)(a) Any public officer or employee may request a hearing before the Commission on Ethics to present oral or written testimony in response to allegations made against such person that he or she violated the code of ethics established in this part, provided a majority of the commission members present and voting consider that the allegations are of such gravity as to affect the general welfare of the state and the ability of the subject public officer or employee effectively to discharge the duties of the office. If the allegations made against the subject public officer or employee are made under oath, then he or she shall also be required to testify under oath.

(b) Upon completion of any investigation initiated under this subsection, the commission shall make a finding and public report as to whether any provision of the code of ethics has been violated by the subject official or employee. In the event that a violation is found to have been committed, the commission shall recommend appropriate action to the agency or official having power to impose any penalty provided by s. 112.317.

(c) All proceedings conducted pursuant to this subsection shall be public meetings within the meaning of chapter 286, and all documents made or received in connection with the commission's investigation thereof shall be public records within the meaning of chapter 119.

(d) Any response to a request of a public official or employee shall be addressed in the first instance to the official or employee making the request.

(3)(a) Every public officer, candidate for public office, or public employee, when in doubt about the applicability and interpretation of this part to himself in a particular context, may submit in writing the facts of the situation to the Commission on Ethics with a request for an advisory opinion to establish the standard of public duty. Any public officer or employee who has the power to hire or terminate employees may likewise seek an advisory opinion from the commission as to the application of the provisions of this part to any such employee or applicant for employment. An advisory opinion shall be rendered by the commission, and all of said opinions shall be numbered, dated, and published without naming the person making the request, unless such person consents to the use of his name.

(b) Said opinion, until amended or revoked, shall be binding on the conduct of the officer, employee, or candidate who sought the opinion or with reference to whom the opinion was sought, unless material facts were omitted or misstated in the request for the advisory opinion.

(4) The commission has the power to subpoena,

audit, and investigate. The commission may subpoena witnesses and compel their attendance and testimony, administer oaths and affirmations, take evidence, and require by subpoena the production of any books, papers, records, or other items relevant to the performance of the commission's duties or exercise of its powers. In the case of a refusal to obey a subpoena issued to any person, the commission may make application to any circuit court of this state which shall have jurisdiction to order the witness to appear before the commission and to produce evidence, if so ordered, or to give testimony touching on the matter in question. Failure to obey the order may be punished by the court as contempt. Witnesses shall be paid mileage and witnesses fees as authorized for witnesses in civil cases.

(5) The commission may recommend that the Governor initiate judicial proceedings in the name of the state against any executive or administrative state, county, or municipal officer to enforce compliance with any provision of this part or to restrain violations of this part, pursuant to s. 1(b), Art. IV of the State Constitution, and the Governor may without further action initiate such judicial proceedings.

(6) The commission is authorized to call upon appropriate agencies of state government for such professional assistance as may be needed in the discharge of its duties. The Department of Legal Affairs shall, upon request, provide legal and investigative assistance to the commission.

(7) It shall be the further duty of the commission to submit to the Legislature from time to time a report of its work and recommendations for legislation deemed necessary to improve the code of ethics and its enforcement.

History.—s. 2, ch. 74-176; s. 4, ch. 75-199; s. 1, ch. 76-69; s. 1, ch. 77-174.

112.324 Procedures on complaints of violations.—

(1) Upon a written complaint executed on a form prescribed by the commission and signed under oath or affirmation by any person, the commission shall investigate any alleged violation of this part in accordance with procedures set forth herein. Within 5 days after receipt of a complaint by the commission, a copy shall be transmitted to the alleged violator. All proceedings, the complaint, and other records relating to the preliminary investigation as provided herein, including a dismissal of the complaint, shall be confidential either until the alleged violator requests in writing that such investigation and records be made public records or the preliminary investigation is completed, notwithstanding any provision of chapters 119, 120 or 286. In no event shall a complaint under this part against a candidate in any general, special, or primary election be filed or any intention of filing such a complaint be disclosed on the day of any such election or within the 5 days immediately preceding the date of the election.

(2) A preliminary investigation shall first be undertaken by the commission to determine if the facts alleged in the complaint constitute probable cause to believe that a violation has occurred. If, upon completion of the preliminary investigation, the commission finds no probable cause to believe that this part has been violated, the commission shall dismiss the complaint, and the complaint, unless prohibited by subsection (3), shall become a matter of public record, together with a written statement of the findings of the preliminary investigation and a summary of the facts which the commission shall send to the complainant and the alleged violator. If the commission finds from the preliminary investigation probable cause to believe that this part has been violated, it shall so notify the complainant and the alleged violator in writing. Such notification and all documents made or received in the disposition of the complaint shall then become public records. Upon request submitted to the commission in writing, any person who the commission finds probable cause to believe has violated any provision of this part shall be entitled to a public hearing. Such person shall be deemed to have waived the right to public hearing if the request is not received within 14 days following the mailing of the probable cause notification required by this subsection. However, the commission may on its own motion require a public hearing and may conduct such further investigation as it deems necessary.

(3) If, upon completion of its preliminary investigation of a complaint against an impeachable officer or member of the Legislature, the commission finds insufficient evidence to establish probable cause to believe a violation of this part has occurred, it shall dismiss the complaint. All evidence and material shall be kept in strict confidentiality by the commission after a complaint is dismissed. The information may be disclosed only upon written request by an appropriate legislative committee. Upon finding sufficient evidence to establish probable cause to believe a violation by such officer has occurred, the commission shall forward the complaint by certified mail to the President of the Senate or the Speaker of the House, whichever is applicable, who shall refer the complaint to the appropriate committee for investigation and action which shall be governed by the rules of its respective house. The complaint and all records relating to the preliminary investigation shall become public records upon referral by the Speaker or President to the appropriate committee. It shall be the duty of the committee to report its final action upon the complaint to the commission within 90 days of the date of transmittal to the respective house. If, for any reason, the committee to which the complaint is referred feels that it cannot or should not investigate the complaint, it may return the complaint to the commission which shall conduct a full investigation and report its findings to the committee for appropriate action. Upon request of the committee, the commission shall submit a recommendation as to what penalty, if any, should be imposed.

(4) If, in cases pertaining to complaints other than complaints against impeachable officers or members of the Legislature, upon completion of a full and final investigation by the commission, the commission finds that there has been a violation of this part, it shall be the duty of the commission to report its findings and recommend appropriate action to the proper disciplinary official or body as follows, and such official or body shall have the power to invoke the penalty provisions of this part:

(a) The Governor, in any case concerning officers

who can be removed or suspended by the Governor.

(b) The head of the agency, in any case concerning a state officer or employee not covered in paragraph (a).

(c) The governing body or appointing official of an officer or employee of a county, city, or other political subdivision of the state not otherwise covered in paragraph (a).

(d) The Secretary of State, in any case concerning a candidate whose name is placed on the ballot by certification of the Secretary of State only when the commission recommends removal of said candidate from the ballot for a violation of s. 112.3145.

(e) The city commission or city council, in any case concerning a candidate for municipal office only when the commission recommends removal of said candidate from the ballot for a violation of s. 112.3145.

(f) The county commission, in any case concerning a candidate for county office only when the commission recommends removal of said candidate from the ballot for a violation of s. 112.3145.

(5) In addition to reporting its findings to the proper disciplinary body or official, the commission shall report these findings to the State Attorney or any other appropriate official or agency having authority to initiate prosecution when violation of criminal law is indicated.

(6) Notwithstanding the foregoing procedures of this section, a sworn complaint against any member or employee of the Commission on Ethics for violation of this part shall be filed with the President of the Senate and the Speaker of the House of Representatives. Each presiding officer shall appoint three members of their respective bodies to a special joint committee who shall investigate the complaint. The members shall elect a chairman from among their number. If the special joint committee finds insufficient evidence to establish probable cause to believe a violation of this part has occurred, it shall dismiss the complaint. If, upon completion of its preliminary investigation, the committee finds sufficient evidence to establish probable cause to believe a violation has occurred, the chairman thereof shall transmit such findings to the Governor who shall convene a meeting of the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Chief Justice of the Supreme Court to take such final action on the complaint as they shall deem appropriate, consistent with the penalty provisions of this part. Upon request of a majority of the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Chief Justice of the Supreme Court, the special joint committee shall submit a recommendation as to what penalty, if any, should be imposed.

History.—s. 2, ch. 74-176; s. 8, ch. 75-199.

112.3241 Judicial review.—Any final action by the commission taken pursuant to this part shall be subject to review in a District Court of Appeal upon the petition of the party against whom an adverse opinion, finding, or recommendation is made. In any case in which the Governor, upon the recommendation of the commission, has the power to suspend an officer or employee, the court may enter a supersedeas order staying the power of the Governor to suspend pending the disposition of the appellate proceeding. However, this section shall not be construed to limit the Governor's power to suspend a municipal official indicted for crime.

History.—s. 6, ch. 75-199.

112.326 Additional requirements by political subdivisions not prohibited.—Nothing in this act shall prohibit the governing body of any political subdivision from imposing upon its own local officers additional or more stringent disclosure requirements than those specified in this part.

History.—s. 5, ch. 75-196.

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U (D STATES DISTRICT CO (
OFFICE OF THE CLERK
NORTHERN DISTRICT OF FLORIDA

HEADQUARTERS OFFICE
P. O. BOX 838
TALLAHASSEE, FLORIDA 32302

DIVISION OFFICE
P. O. BOX 550
PENSACOLA, FLORIDA 32502

Tallahassee, Florida
December 21, 1976

RECEIVED
DEC 22 1976
ATTORNEY GENERAL'S OFFICE

JOANN SAUNDERS

VS.

Tallahassee CIVIL ACTION NO.

DONALD REED, etc., et al.

Enclosed is copy of the following:

ORDER GRANTING PARTIAL SUMMARY ADJUDICATION

filed in the above cause on Dec. 21, 1976.

TO THE FOLLOWING COUNSEL/PARTIES OF RECORD:

Ben R. Patterson
1215 Thomasville Road
Tallahassee, Florida 32303

James Whisenand
Deputy Attorney General
The Capitol
Tallahassee, Florida

Russell K. Peavyhouse
1411 NW Shore Blvd., Ste 100
Tampa, Florida 33607

9 0 4 0 1 4 0 4 3

IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF FLORIDA
TALLAHASSEE DIVISION

JO ANN SAUNDERS,

Plaintiff,

vs. TCA 76-179

DONALD REED, et al.,

Defendants.

ORDER GRANTING PARTIAL SUMMARY ADJUDICATION

This case is before the court on a motion by defendants for partial summary judgment.

In its order of October 27, 1976, granting plaintiff's motion for preliminary injunction, the court noted that the issues raised by plaintiff were subject to fair debate and that the harm to plaintiff, being irremedial in nature and outweighing any potential harm to the state's interests in granting preliminary injunction, warranted the temporary relief which plaintiff asked.

Upon further consideration of the record and the authorities it appears that there is no dispute concerning the facts relating to the claims upon which the defendants seek partial summary judgment and that, on the facts, the defendants are entitled to judgment as a matter of law on those issues.

Accordingly, it is

ORDERED AND ADJUDGED:

1. Section 112.3145 Florida Statutes (1975) does not create an additional qualification for office prohibited by Article I, §2, cl. 2 of the United States Constitution.

2. Section 112.3145, Florida Statutes (1975) is

not preempted by 2 U.S.C. §453.

3. A status hearing is hereby scheduled in this case to commence at 9:30 a.m. on February 17, 1977. Counsel shall be prepared to discuss the direction of further proceedings in this matter, if any, and the time frame necessary therefor.

DONE AND ORDERED this 21st day of December, 1976.

William Stafford

WILLIAM STAFFORD
UNITED STATES DISTRICT JUDGE

PETITION FOR VOLUNTARY BANKRUPTCY & VERIFICATIONS
(U.S. Supreme Court Bankruptcy Forms Nos. 1, 4 & 5)

WASHINGTON LAW REPORTER FORMS 1, 4 & 5
1625 Eye Street, N.W., Washington D.C. 20006

PETITION FOR VOLUNTARY BANKRUPTCY

Form No. 1

United States District Court

For The EASTERN District Of VIRGINIA

In re

DORIS JO ANN SAUNDERS, JO ANN SAUNDERS, MRS. GEORGE E. SAUNDERS

Bankrupt [include here all names used by bankrupt within last 6 years]

Bankruptcy No. 78-248-A

352-26-0405

Social Security or Tax Identification Number

VOLUNTARY PETITION

1. Petitioner's post-office address is 8223 Dr. Craik Court, Alexandria, VA 22306

2. Petitioner has resided [*or* has had his domicile *or* has had his principal place of business] within this district for the preceding 6 months [*or* for a longer portion of the preceding 6 months than in any other district.]

3. Petitioner is qualified to file this petition and is entitled to the benefits of the Bankruptcy Act as a voluntary bankrupt.

Wherefore petitioner prays for relief as a voluntary bankrupt under the Act.

FILED
4 oc
8 pm
APR 5 1978
MARTIN V.B. BOSTETTER, JR.
BANKRUPTCY JUDGE

Signed: [signature]
Attorney for Petitioner
Gregory L. Murphy
Address: 609 Queen Street
Alexandria, VA 22314

[Petitioner signs if not represented by attorney]

A True Copy, Teste:
Martin V. B. Bostetter, Jr.
Referee in Bankruptcy
By: [signature] Deputy Clerk

Petitioner

State of VIRGINIA
CITY
~~COUNTY~~ of ALEXANDRIA } ss.

I, Doris Jo Ann Saunders, the petitioner named in the foregoing petition, do hereby swear that the statements contained therein are true according to the best of my knowledge, information, and belief.

[signature]
Petitioner

Subscribed and sworn to before me on April 5, 1978

[signature]
Notary Public
[Official character]

[Unless further time is granted by the court pursuant to Rule 108, this petition must be accompanied by a schedule of the petitioner's debts and property, his claim for such exemptions as he may be entitled to, and a statement of his affairs. These additional statements shall be submitted on official forms, shall include the information about the petitioner's property and debts required by the Bankruptcy Rules and by the forms, and shall be verified under oath.]

SEE REVERSE SIDE FOR VERIFICATIONS ON BEHALF OF
A CORPORATION AND A PARTNERSHIP

7 9 0 4 0 1 1 0 4 0 8

Department of the Treasury
Internal Revenue Service

▶ See instructions on pages 3 and 4.
▶ Attach to Form 1040.

1973

Name(s) as shown on Form 1040: George E. & Doris J. Saunders

Your social security number: 234 | 46 | 2167

Taxable Income and Adjustments

	(a) Computation year 1973	(b) 1st preceding base period year 1972	(c) 2d preceding base period year 1971	(d) 3d preceding base period year 1970	(e) 4th preceding base period year 1969
1 Taxable income (see instruction 1)	22556	9318	—	6101	[illegible]
2 Income earned outside of the United States or within U.S. possessions and excluded under sections 911 and 931					
3 Excess community income and certain amounts received by owner-employees subject to a penalty under section 72(m)(5). See instruction 3					
4 Accumulation distributions subject to section 668(a). See Form 4970					
5 Adjusted taxable income or base period income. (Line 1 plus line 2, less lines 3 and 4.) If less than zero, enter zero	22556	9318	—	6101	[illegible]

Computation of Averagable Income

6 Adjusted taxable income from line 5, column (a)	6	22556
7 30% of the sum of line 5, columns (b), (c), (d), and (e)	7	[illegible]
8 Averagable income (line 6 less line 7)	8	[illegible]

Complete the remaining parts of this form only if line 8 is more than $3,000. If $3,000 or less, you do not qualify for income averaging. Do not fill in rest of form.

Computation of Tax

9 Amount from line 7			9	[illegible]
10 20% of line 8			10	[illegible]
11 Total (add lines 9 and 10)			11	[illegible]
12 Amount from line 3, column (a), less any income subject to a penalty under section 72(m)(5) which was included in line 3			12	
13 Total (add lines 11 and 12)			13	[illegible]
14 Tax on amount on line 13			14	[illegible]
15 Tax on amount on line 11	15	1680		
16 Tax on amount on line 9	16	1012		
17 Difference (line 15 less line 16)	17	668		
18 Multiply the amount on line 17 by 4			18	[illegible]
19 Total (add lines 14 and 18)			19	[illegible]
20 Tax on income subject to the penalty under section 72(m)(5) which was included in line 3			20	
21 Tax (add lines 19 and 20). Enter here and on Form 1040, line 16. Also check Schedule G box on Form 1040, line 16			21	[illegible]

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Department of the Treasury
Internal Revenue Service

Itemized Deductions

► Attach to Form 1040.

1973

Name(s) as shown on Form 1040: George E. & Doris J. Saunders

Your social security number: 234 | 46 | 2167

Medical and Dental Expenses (not compensated by insurance or otherwise) for medicine and drugs, doctors, dentists, nurses, hospital care, insurance premiums for medical care, etc.

1 One half (but not more than $150) of insurance premiums for medical care. (Be sure to include in line 10 below)		
2 Medicine and drugs	33	
3 Enter 1% of line 15, Form 1040	368	
4 Subtract line 3 from line 2. Enter difference (if less than zero, enter zero)	–	
5 Enter balance of insurance premiums for medical care not entered on line 1		
6 Enter other medical and dental expenses:		
a Doctors, dentists, etc.		
b Hospitals		
c Other (itemize—include hearing aids, dentures, eyeglasses, transportation, etc.) ►		
Crossman Lab	30	
Spence, DDS	134	
Wilson - Glasses	186	
Cummings, DDS	16	
Fr. Hosp.	254	
Rivas, MD	90	
Other Medical & Dental Expenses	335	
Orthopedic Clinic - Dr Kendrick	156	
7 Total (add lines 4, 5, 6a, b, and c)	1199	
8 Enter 3% of line 15, Form 1040	1104	
9 Subtract line 8 from line 7 (if less than zero, enter zero)	95	
10 Total (add lines 1 and 9). Enter here and on line 35 ►	95	

Taxes

11 State and local income		
12 Real estate 1/2 yr. 65 x 455	1715	
13 State and local gasoline (see gas tax tables)		
14 General sales (see sales tax tables)	255	
15 Personal property		
16 Other (itemize) ►		
17 Total (add lines 11, 12, 13, 14, 15, and 16). Enter here and on line 36 ►	2000	

Interest Expense

18 Home mortgage	4926	
19 Other (itemize) ► Pers + Auto	11	
Int - Loan	543	
Credit	2	
20 Total (add lines 18 and 19). Enter here and on line 37 ►	5482	

Contributions (See instructions on page 11 for examples.)

21 a Cash contributions for which you have receipts, cancelled checks, etc.		
b Other cash contributions. List donees and amounts. ►		
Cent. Fl. High Soc.	15	
Lacs Silver Pro	9	
Sec Sok. Stamps	10	
Yemen Lac	250	
Civitans	9	
22 Other than cash (see instructions on page 12 for required statement)		
23 Carryover from prior years		
24 Total contributions (add lines 21a, b, 22, and 23). Enter here and on line 38 ►	293	

Casualty or Theft Loss(es) (See instructions on page 12.)
Note: *If you had more than one loss, omit lines 25 through 28 and see instructions on page 12 for guidance.*

25 Loss before insurance reimbursement		
26 Insurance reimbursement		
27 Subtract line 26 from line 25. Enter difference (if less than zero, enter zero)		
28 Enter $100 or amount on line 27, whichever is smaller		
29 Casualty or theft loss (subtract line 28 from line 27). Enter here and on line 39 ►		

Miscellaneous Deductions (See instructions on page 12.)

30 Alimony paid		
31 Union dues		
32 Expenses for child and dependent care services (attach Form 2441)		
33 Other (itemize) ►		
Sec. Purs - Hand. Change wo (1/2 of 50)	25	
Safe Deposit Box	11	
Tax Return Prep. Fee	50	
34 Total (add lines 30, 31, 32, and 33). Enter here and on line 40 ►	112	

Summary of Itemized Deductions

35 Total medical and dental—line 10		
36 Total taxes—line 17		
37 Total interest—line 20		
38 Total contributions—line 24		
39 Casualty or theft loss(es)—line 29		
40 Total miscellaneous—line 34		
41 Total deductions (add lines 35, 36, 37, 38, 39, and 40). Enter here and on Form 1040, line 45 ►	[illegible]	

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... & Doris J. Saunders

Other Dependents (a) NAME	(b) Relationship	(c) Months lived in your home. If born or died during year, write B or D.	(d) Did dependent have income of $750 or more?	(e) Amount YOU furnished for dependent's support. If 100% write ALL.	(f) Amount furnished by OTHERS including dependent.
STEPHEN	SON	—	NO	$ 60%	$ —
LINDA	DAUGHTER	—	NO	60%	—

27 Total number of dependents listed in column (a). Enter here and on line 6d . . . . . ▶ 2

Income other than Wages, Dividends, and Interest

28 Business income or (loss) (attach Schedule C)	28		
29 Net gain or (loss) from sale or exchange of capital assets (attach Schedule D)	29		
30 Net gain or (loss) from Supplemental Schedule of Gains and Losses (attach Form 4797)	30		
31 Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc. (attach Schedule E)	31		
32 Farm income or (loss) (attach Schedule F)	32		
33 Fully taxable pensions and annuities (not reported on Schedule E—see instructions on page 8)	33		
34 50% of capital gain distributions (not reported on Schedule D)	34		
35 State income tax refunds (does not apply if refund is for year in which you took the standard deduction—others see instructions on page 8)	35		
36 Alimony received	36		
37 Other (state nature and source) ▶ Pension Movers - Operating Engrs	37	3000	
38 Total (add lines 28, 29, 30, 31, 32, 33, 34, 35, 36, and 37). Enter here and on line 12 ▶	38		

Adjustments to Income

39 "Sick pay." (From Forms W-2 and W-2P. If not shown on Forms W-2 or W-2P, attach Form 2440 or statement.)	39		
40 Moving expense (attach Form 3903)	40		
41 Employee business expense (attach Form 2106 or statement)	41		
42 Payments as a self-employed person to a retirement plan, etc. (see Form 4848)	42		
43 Total adjustments (add lines 39, 40, 41, and 42). Enter here and on line 14 ▶	43		

Tax Computation (Do not use this part if you use Tax Tables 1–12 to find your tax.)

44 Adjusted gross income (from line 15)	44	3600	
45 (a) If you itemize deductions, enter total from Schedule A, line 41 and attach Schedule A (b) If you do not itemize deductions, enter 15% of line 44, but do NOT enter more than $2,000. ($1,000 if line 3 checked)	45	744	
46 Subtract line 45 from line 44	46		
47 Multiply total number of exemptions claimed on line 7, by $750	47	6750	
48 Taxable income. Subtract line 47 from line 46	48	>>556	

(Figure your tax on the amount on line 48 by using Tax Rate Schedule X, Y, or Z, or if applicable, the alternative tax from Schedule D, income averaging from Schedule G, maximum tax from Form 4726, or special averaging from Form 4972.) Enter tax on line 16.

Credits

49 Retirement income credit (attach Schedule R)	49		
50 Investment credit (attach Form 3468)	50		
51 Foreign tax credit (attach Form 1116)	51		
52 Credit for contributions to candidates for public office—see instructions on page 9	52	20	
53 Work incentive (WIN) credit (attach Form 4874)	53		
54 Total credits (add lines 49, 50, 51, 52, and 53). Enter here and on line 17 ▶	54		

Other Taxes

55 Self-employment tax (attach Schedule SE)	55		
56 Tax from recomputing prior year investment credit (attach Form 4255)	56		
57 Tax from recomputing prior year Work Incentive (WIN) credit (attach schedule)	57		
58 Minimum tax. Check here ▶ ☐, if Form 4625 is attached	58		
59 Social security tax on tip income not reported to employer (attach Form 4137)	59		
60 Uncollected employee social security tax on tips (from Forms W-2)	60		
61 Total (add lines 55, 56, 57, 58, 59, and 60). Enter here and on line 19 ▶	61		

Other Payments

62 Excess FICA tax withheld (two or more employers—see instructions on page 9)	62		
63 Credit for Federal tax on special fuels, nonhighway gasoline and lubricating oil (attach Form 4136)	63		
64 Credit from a Regulated Investment Company (attach Form 2439)	64		
65 Total (add lines 62, 63, and 64). Enter here and on line 21d ▶	65		

Foreign Accounts: Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? ▶ ☐ Yes ☑ No
If "Yes," attach Form 4683. (For definitions, see Form 4683.)

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Department of the Treasury — Internal Revenue Service

US Individual Income Tax Return 1973

For the year January 1–December 31, 1973, or other taxable year beginning ..... 1973, ending 19

Print or type

SS 234-46-2107 352-26-0405 D59 1
GEORGE E & DORIS J SAUNDERS
2500 FOREST CLUB DRIVE
ORLANDO FL 32808

COUNTY OF RESIDENCE: ORANGE

Your social security number

Spouse's social security no.

Occupation: Yours ► CORP. EXECUTIVE; Spouse's ► HOUSEWIFE

Filing Status—check only one:

1 ☐ Single
2 ☒ Married filing joint return (even if only one had income)
3 ☐ Married filing separately. If spouse is also filing give spouse's social security number in designated space above and enter full name here ►
4 ☐ Unmarried Head of Household
5 ☐ Widow(er) with dependent child (Year spouse died ► 19)

Exemptions — Regular / 65 or over / Blind

6a Yourself . . . ☒ ☐ ☐
b Spouse . . . ☒ ☐ ☐
Enter number of boxes checked ► 2

c First names of your dependent children who lived with you DOUG, CHRIS, KATHY, CONNIE, GEORGE — Enter number ► 5

d Number of other dependents (from line 27) . . . ► 2

7 Total exemptions claimed . . . ► 9

8 Presidential Election Campaign Fund.—Check ☐ if you wish to designate $1 of your taxes for this fund. If joint return, check ☐ if spouse wishes to designate $1. Note: *This will not increase your tax or reduce your refund.* See note below.

Income

9	Wages, salaries, tips, and other employee compensation. (Attach Forms W-2. If unavailable, attach explanation)	9	6800
10a	Dividends (See instructions on page 6) $....., 10b Less exclusion $....., Balance ►	10c	
10d	(Gross amount received, if different from line 10a . . . . $.....)		
11	Interest income	11	
12	Income other than wages, dividends, and interest (from line 38)	12	30000
13	Total (add lines 9, 10c, 11, and 12)	13	36800
14	Adjustments to income (such as "sick pay," moving expenses, etc. from line 43)	14	
15	Subtract line 14 from line 13 (adjusted gross income)	15	36800

○ If you do not itemize deductions and line 15 is under $10,000, find tax in Tables and enter on line 16.
○ If you itemize deductions or line 15 is $10,000 or more, go to line 44 to figure tax.
○ CAUTION. If you have unearned income and can be claimed as a dependent on your parent's return, check here ► ☐ and see instructions on page 7.

Tax, Payments and Credits

16	Tax, check if from: ☐ Schedule D ☒ Tax Tables 1–12 / Schedule G ☐ Tax Rate Schedule X, Y, or Z / Form 4726 OR ☐ Form 4972		16	4354
17	Total credits (from line 54)		17	20
18	Income tax (subtract line 17 from line 16)		18	4334
19	Other taxes (from line 61)		19	
20	Total (add lines 18 and 19)		20	
21a	Total Federal income tax withheld (attach Forms W-2 or W-2P to front)	21a 644		
b	1973 estimated tax payments (include amount allowed as credit from 1972 return)	b		
c	Amount paid with Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return	c		
d	Other payments (from line 65)	d		
22	Total (add lines 21a, b, c, and d)		22	644

Balance Due or Refund

23	If line 20 is larger than line 22, enter BALANCE DUE IRS (Check here ► ☐ if Form 2210, Form 2210F, or statement is attached. See instructions on page 8.) — Pay in full with return. Make check or money order payable to Internal Revenue Service ►	23	3700
24	If line 22 is larger than line 20, enter amount OVERPAID ►	24	
25	Amount of line 24 to be REFUNDED TO YOU ►	25	
26	Amount of line 24 to be credited on 1974 estimated tax ► 26		

Note: 1972 Presidential Election Campaign Fund Designation.—Check ☐ if you did not designate $1 of your taxes on your 1972 return, but now wish to do so. If joint return, check ☐ if spouse did not designate on 1972 return but now wishes to do so.

Please attach Copy B of Forms W-2 here

Attach here Check or Money Order. Write soc. sec. no. on Check or Money Order.

Sign here: Your signature — Date; Spouse's signature (if filing jointly, both must sign even if only one had income)

Preparer's signature (other than taxpayer) — Date

Address (and ZIP Code) — Preparer's Emp. Ident. or Soc. Sec. No.
Dean R. Fletcher, CPA, PA. 59-1375
200 N. Maitland Ave., Winter Park, Fla. 32789

P. 1 of 4

ASSETS

6. If, during the preceding taxable year, you owned any asset, tangible or intangible, which had a value greater than 15% of the total value of all your assets at that time, then you must list it below. You do NOT have to list real property located outside of Florida, your personal residence, recreational homes or vacation homes, but these shall be used in calculating the total value of your assets. In calculating value, disregard all liabilities, such as debts or mortgages. List in descending order of value with the most valuable asset listed first. You do NOT have to state the value of any asset or the total value of all your assets.

ASSET	LOCATION: ADDRESS OR LEGAL DESCRIPTION
500 Shares Common Stock-Farm City, Inc.	Common Stock
25 Shares-Building Movers, Inc.	Common Stock

(Date of Filing)

(Signature of Person Disclosing)

Under provisions of Chapter 74-177, Laws of Florida, intentional violation of any disclosure requirement shall constitute grounds for dismissal from employment, removal from office or removal from the ballot.

NOTE: Questions concerning this form or Chapter 74-177, Laws of Florida, may be directed to: State of Florida, Commission on Ethics, P. O. Box 6, Tallahassee, Florida 32302.

DEBTS AT PREFERENTIAL INTEREST RATES

4. List each of your present or past debts which was outstanding at any time during the preceding taxable year and on which a preferential rate of interest was being charged. A preferential rate of interest is a rate of interest which, at the time the rate was set, was substantially below the customary and usual rate under the circumstances. You do NOT have to state the amount of the debt.

NAME OF CREDITOR	ADDRESS OF CREDITOR
None	

DEBTS GREATER THAN NET WORTH

5. List each debt which at any time during the preceding taxable year was outstanding and exceeded your net worth. You do NOT have to state what your net worth is or what the amount of the debt is.

NAME OF CREDITOR	ADDRESS OF CREDITOR
None	

INTEREST IN SPECIFIED BUSINESS ENTITIES

3. If, during the preceding taxable year, you either

   a) owned, directly or indirectly, 10% or more of the total assets or capital stock, OR

   b) received 10% or more of the net distributed income

   of any chartered banks, savings and loan associations, small loan companies, alcohol and spirituous liquor businesses (whether retail or wholesale), pari-mutuel wagering companies, utility companies, cemetery companies, insurance companies, mortgage or title insurance companies, credit unions, and any entity controlled by the Public Service Commission or granted a franchise to operate by a municipal or county government,

   then you must list each of those entities below.

NAME OF ENTITY IN WHICH INTEREST IS HELD	ADDRESS	DESCRIPTION OF PRINCIPAL ACTIVITY OF BUSINESS ENTITY
None		

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STATEMENT OF AFFAIRS
FOR BANKRUPT NOT ENGAGED IN BUSINESS
(U.S. Supreme Court Bankruptcy Form No. 7)

WASHINGTON LAW REPORTER FORM 7
1625 Eye Street, N.W., Washington, D.C. 20006

STATEMENT OF AFFAIRS FOR BANKRUPT NOT ENGAGED IN BUSINESS

United States District Court

For The EASTERN District Of VIRGINIA

In re

DORIS JO ANN SAUNDERS, JO ANN SAUNDERS, MRS. GEORGE E. SAUNDERS

Bankrupt [include here all names used by bankrupt within last 6 years]

Bankruptcy No. _____

STATEMENT OF AFFAIRS FOR BANKRUPT NOT ENGAGED IN BUSINESS

[Each question should be answered or the failure to answer explained. If the answer is "none," this should be stated. If additional space is needed for the answer to any question, a separate sheet properly identified and made a part hereof, should be used and attached. The term, "original petition," as used in the following questions, shall mean the petition filed under Bankruptcy Rule 103, 104, or 105.]

1. Name and residence

a. What is your full name and social security number? DORIS JO ANN SAUNDERS
SS#352-26-0405

b. Have you used, or been known by, any other names within the 6 years immediately preceding the filing of the original petition herein? (If so, give particulars.) Jo Ann Saunders
Mrs. George E. Saunders

c. Where do you now reside? 8223 Dr. Craik Court, Alexandria, VA 22306

d. Where else have you resided during the 6 years immediately preceding the filing of the original petition herein? 2500 Forest Club Drive, Orlando, Florida 32808
2123 Alameda Avenue, Orlando, Florida 32808

2. Occupation and income

a. What is your occupation? Consultant - $26,088.00 Annually

b. Where are you now employed? (Give the name and address of your employer, or the address at which you carry on your trade or profession, and the length of time you have been so employed.)
U.S. Department of Agriculture, 14th and C Streets, Washington, D.C.
(Since June, 1977)

c. Have you been in a partnership with anyone, or engaged in any business during the 6 years immediately preceding the filing of the original petition herein? (If so, give particulars, including names, dates, and places.)

1/1/73 Stockholder and Officer in Building Movers, Inc., until 1/1/75
100 N. Maitland Avenue
Winter Park, Florida 32789

11/1/68 Stockholder and Officer in Saunders Center, Inc., until 11/1/76
200 N. Maitland Avenue
Winter Park, Florida 32789

d. What amount of income have you received from your trade or profession during each of the 2 calendar years immediately preceding the filing of the original petition herein?

$9,861.76 since 7/77; nothing before

e. What amount of income have you received from other sources during each of these 2 years? (Give particulars, including each source, and the amount received therefrom.) None

3. Tax returns and refunds

a. Where did you file your last federal and state income tax returns for the 2 years immediately preceding the filing of the original petition herein?

1976: Federal - Chamblee, Georgia; State - Orlando, Florida
1977: Federal - Memphis, Tennessee; State - Alexandria, Virginia

b. What tax refunds (income and other) have you received during the year immediately preceding the filing of the original petition herein?

None

c. To what tax refunds (income or other), if any, are you, or may you be entitled? (Give particulars, including information as to any refund payable jointly to you and your spouse or any other person.)

$739.00 Joint with husband, George E. Saunders ($315.77 share)

4. Bank accounts and safe deposit boxes

a. What bank accounts have you maintained, alone or together with any other person, and in your own or any other name within the 2 years immediately preceding the filing of the original petition herein? (Give the name and address of each bank, the name in which the deposit maintained, and the name and address of every other person authorized to make withdrawals from such account.)

Southeast National Bank of Orlando
201 E. Pine Street
Orlando, Florida 32801 (Both held jointly with George E. Saunders)

First Virginia Bank
P. O. Box 88
Falls Church, Virginia 22046

b. What safe deposit box or boxes or other depository or depositories have you kept or used for your securities, cash, or other valuables within the 2 years immediately preceding the filing of the original petition herein? (Give the name and address of the bank or other depository, the name in which each box or other depository was kept, the name and address of every other person who had the right of access thereto, a brief description of the contents thereof, and, if the box has been surrendered, state when surrendered, or, if transferred, when transferred, and the name and address of the transferee.)

None

5. Books and records

a. Have you kept books of account or records relating to your affairs within the 2 years immediately preceding the filing of the original petition herein? Yes

b. In whose possession are these books or records? (Give names and addresses.)

George E. Saunders
8223 Dr. Craik Court
Alexandria, Virginia 22306

c. If any of these books or records are not available, explain. N/A

d. Have any books of account or records relating to your affairs been destroyed, lost, or otherwise disposed of within the 2 years immediately preceding the filing of the original petition herein? (If so, give particulars, including date of destruction, loss, or disposition, and reason therefor.)

No

6. Property held for another person

What property do you hold for any other person? (Give name and address of each person, and describe the property, or value thereof, and all writings relating thereto.)

None

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7. Prior bankruptcy

What proceedings under the Bankruptcy Act have previously been brought by or against you? (State the location of the bankruptcy court, the nature and number of each proceeding, the date when it was filed, and whether a discharge was granted or refused, the proceeding was dismissed, or a composition, arrangement, or plan was confirmed.)

None

8. Receiverships, general assignments, and other modes of liquidation

a. Was any of your property, at the time of the filing of the original petition herein, in the hands of a receiver, trustee, or other liquidating agent? (If so, give a brief description of the property, the name and address of the receiver, trustee, or other agent, and, if the agent was appointed in a court proceeding, the name and location of the court and the nature of the proceeding.)

None

b. Have you made any assignment of your property for the benefit of your creditors, or any general settlement with your creditors, within one year immediately preceding the filing of the original petition herein? (If so, give dates, the name and address of the assignee, and a brief statement of the terms of assignment or settlement.)

No

9. Property in hands of third person

Is any other person holding anything of value in which you have an interest? (Give name and address, location and description of the property, and circumstances of the holding.)

No

10. Suits, executions, and attachments

a. Were you a party to any suit pending at the time of the filing of the original petition herein? (If so, give the name and location of the court and the title and nature of the proceeding.) Yes.

U.S. District Court, Eastern District of Virginia, C.A. No. 77-858-A Dorothy A. Shultz v. Jo Ann Saunders - Loan for Campaign

Circuit Court of the 9th Judicial Circuit, Orange County, Florida, Nos. 75-2040 and 76-9937 Combank of Winter Park v. Jo Ann Saunders (guarantor on business debts of Building Movers. Inc.)

Circuit Court of the 18th Judicial Circuit, Seminole County, Florida, No. 76-125-CA-03-D Financial Indemnity Co. v. Jo Ann Saunders (guarantor on performance bond of Building Movers, Inc.)

b. Were you a party to any suit terminated within the year immediately preceding the filing of the original petition herein? (If so, give the name and the location of the court, the title and nature of the proceeding, and the result.)

No

c. Has any of your property been attached, garnished, or seized under any legal or equitable process within the 4 months immediately preceding the filing of the original petition herein? (If so, describe the property seized or person garnished, and at whose suit.)

No

11. Loans repaid

What repayments on loans in whole or in part have you made during the year immediately preceding the filing of the original petition herein? (Give the name and address of the lender, the amount of the loan and when received, the amounts and dates of payments and, if the lender is a relative, the relationship.)

None

12. Transfers of property

a. Have you made any gifts, other than ordinary and usual presents to family members and charitable donations, during the year immediately preceding the filing of the original petition herein? (If so, give names and addresses of donees and dates, description, and value of gifts.)

No

b. Have you made any other transfer, absolute or for the purpose of security, or any other disposition, of real or tangible personal property during the year immediately and preceding the filing of the original petition herein? (Give a description of the property, the date of the transfer or disposition, to whom transferred or how disposed of, and, if the transferee is a relative, the relationship, the consideration, if any, received therefor, and the disposition of such consideration.)

No

13. Repossessions and returns

Has any property been returned to, or repossessed by, the seller or by a secured party during the year immediately preceding the filing of the original petition herein? (If so, give particulars including the name and address of the party getting the property and its description and value.)

No

14. Losses

a. Have you suffered any losses from fire, theft, or gambling during the year immediately preceding the filing of the original petition herein? (If so, give particulars, including dates, names, and places, and the amounts of money or value and general description of property lost.)

No

b. Was the loss covered in whole or part by insurance? (If so, give particulars.)

N/A

15. Payments or transfers to attorneys

a. Have you consulted an attorney during the year immediately preceding or since the filing of the original petition herein? (Give date, name, and address.) Yes.

1. John Schell (Re: Shultz suit)
1150 Connecticut Avenue, N.W.
Washington, D.C.

2. Gregory L. Murphy (3/31/78)
609 Queen Street
Alexandria, Virginia 22314

b. Have you during the year immediately preceding or since the filing of the original petition herein paid any money or transferred any property to the attorney or to any other person on his behalf? (If so, give particulars, including amount paid or value of property transferred and date of payment or transfer.)

$350.00 - Fee for Bankruptcy
$ 50.00 - Filing Fee

c. Have you, either during the year immediately preceding or since the filing of the original petition herein, agreed to pay any money or transfer any property to an attorney at law, or to any other person on his behalf? (If so, give particulars, including amount and terms of obligation.)

No.

State of VIRGINIA
CITY ~~XXXXX~~ of ALEXANDRIA } ss:

I, Doris Jo Ann Saunders, do hereby swear that I have read the answers contained in the foregoing statement of affairs and that they are true and complete to the best of my knowledge, information, and belief.

Doris Jo Ann Saunders
Bankrupt.

Subscribed and sworn to before me on April 5, 1978

Diane L. Turner
Notary Public
[Official character]

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WASHINGTON LAW REPORTER FORM 6
1625 Eye St., N.W. Washington, D.C. 20006

SCHEDULES

United States District Court

For The EASTERN District of VIRGINIA

In re

DORIS JO ANN SAUNDERS, JO ANN SAUNDERS, MRS. GEORGE E. SAUNDERS

Bankrupt [include here all names used by bankrupt within last 6 years]

Bankruptcy No. _____

SCHEDULE A.—STATEMENT OF ALL DEBTS OF BANKRUPT

Schedule A–1, A–2, and A–3 must include all the claims against the bankrupt or his property as of the date of the filing of the petition by or against him.

SCHEDULE A-1.—CREDITORS HAVING PRIORITY*

Nature of Claim	Name of creditor and residence of place of business (if unknown, so state)	Specify when claim was incurred and the consideration therefor; when claim is contingent, unliquidated, disputed, subject to set off, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, so indicate; specify name of any partner or joint contractor on any debt	Amount of claim
(a) Wages and commissions owing to workmen, servants, clerks, or traveling or city salesmen on salary or commission basis, whole or part time, whether or not selling exclusively for the bankrupt, not exceeding $600 to each, earned within 3 months before filing of petition	None		$ 0 00
(b) Taxes owing (itemize by type of tax and taxing authority): (1) To the United States	Internal Revenue Service 3191 Maguire Boulevard Orlando, Florida 32803 Building Movers, Inc., ID#59 1111 859		
(2) To any State	Trustee: Howard Clifton 372 W. Fairbanks Winter Park, Florida 32789		
(3) To any other taxing authority	(Unpaid withholding and social security taxes for company; contingent liability with other officers of corporation) July 28, 1975		21,412 77
	(2) None		0 00
	(3) None		0 00
(c) (1) Debts owing to any person, including United States, entitled to priority by laws of United States (itemize by type)	None		0 00
(2) Rent owing to a landlord entitled to priority by laws of any State accrued within 3 months before filing of petition, for actual use and occupancy	None		0 00
		Total	21,412 77

*[Where spaces above are inadequate, please use additional sheets.]

U.S.S.C. OFFICIAL BANKRUPTCY FORM 7 9 0 4 0 1 4 0 4 5 1 WASHINGTON LAW REPORTER FORM 6

SCHEDULE A-2.—CREDITORS HOLDING SECURITY*

Name of creditor and residence or place of business (if unknown, so state)	Description of security and date when obtained by creditor	Specify when claim was incurred and the consideration therefor; when claim is contingent, unliquidated, disputed, or subject to setoff, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, so indicate; specify name of any partner or joint contractor on any debt	Market value		Amount of claim without deduction of value of security	
			$		$	
None			0	00	0	00
		Total	0	00	0	00

*[Please leave adequate spacing between creditors.]

Sheet 2

SCHEDULE A-3.—CREDITORS HAVING UNSECURED CLAIMS WITHOUT PRIORITY*

Name of creditor (including last known holder of any negotiable instrument) and residence or place of business (if unknown, so state)	Specify when claim was incurred and the consideration therefor; when claim is contingent, unliquidated, disputed, subject to set-off, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, so indicate; specify name of any partner or joint contractor on any debt	Amount of claim	
T. Michael Woods, Esquire Suite 1530, CNA Tower 255 South Orange Avenue Orlando, Florida 32801	5/10/76 - 6/15/76 (Legal Fees)	$ 137	50
Alvin H. Savage, D.D.S., PA 133 East Colonial Drive Orlando, Florida 32802	10/25/74 (Loan - Note owed jointly with husband, George E. Saunders)	4000	00
Central Charge Service 215 E Street, N.W. Washington, D.C. 20004 (80 6705 208 - Acct. No.)	10/7/77 (Open Account)	498	85
BankAmericard P. O. Box 1000 Winter Park, Florida 32789 (Acct. No. 4312 200 198 203)	12/20/71 (Joint open account with husband, George E. Saunders)	1688	69
Ben R. Patterson, Esquire 1215 Thomasville Road Tallahassee, Florida 32303	7/6/77 (Legal Fees)	7080	77
McNamara Pontiac, Inc. 101 West Colonial Drive Orlando, Florida 32804	5/10/76 (Rent on Motor Vehicle)	2500	00
Dorothy A. Shultz 909 Oak Drive Leesburg, Florida 32748	9/20/76 (Loan for political campaign evidenced by two $10,000 notes signed by Bankrupt)	20000	00
Florida Clipping Service P. O. Box 10278 Tampa, Florida 33679	10/25/76 (Campaign Debt)	159	20
Mercury Printers 3203 Lawton Road Orlando, Florida 32802	10/20/76 (Campaign Debt)	6000	00
Pitney Bowes 60 Walnut Street Stamford, Connecticut 06904	10/19/76 (Campaign Debt)	201	60
Promotion Products 1616 E. Colonial Drive Orlando, Florida 32801	10/1/76 (Campaign Debt)	1768	45
Kelly Services 1950 Lee Road Winter Park, Florida 32789	10/29/76 (Campaign Debt)	195	75
Political Creations P. O. Box 1975 Jacksonville, Florida 32201	10/6/76 (Campaign Debt)	2132	00
Florida Telephone Corporation P. O. Box 41 Ocala, Florida 32670	10/22/76 (Campaign Debt)	147	00
	Sub Total	46509	81

*[Please leave adequate spacing between creditors.]

SCHEDULE A-3.—CREDITORS HAVING UNSECURED CLAIMS WITHOUT PRIORITY*

Name of creditor (including last known holder of any negotiable instrument) and residence or place of business (if unknown, so state)	Specify when claim was incurred and the consideration therefor; when claim is contingent, unliquidated, disputed, subject to set-off, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, so indicate; specify name of any partner or joint contractor on any debt	Amount of claim	
		$	
Peterson Outdoor Advertising Corp. P. O. Box 15860 Orlando, Florida 32808	6/21/74 (Campaign Debt)	5866	15
Jim Blake Office Supply 900 S. Orlando Avenue Winter Park, Florida 32789	10/31/74 (Campaign Debt)	266	13
Citizens First National Bank of Citrus County Inverness, Florida 32650	8/13/76 (Loan to Campaign) Orange County Circuit Court No. 76-10196 - Judgment 2/2/77	3221	20*
Citizens First National Bank of Crystal River 450 S.E. Highway 19 Crystal River, Florida 32629	8/26/76 (Loan to Jo Ann Saunders Campaign Fund) Orange County Circuit Court No. 77-40 - Judgment 3/25/77	5881	95
Florida Center Bank P. O. Box 70 Orlando, Florida 32802	11/30/76 (Loan to Jo Ann Saunders Campaign Fund)	5007	80
Richard A. Leandri Clearwater Mall, Suite 3 Clearwater, Florida 33516 Fred P. Fisher U. S. Home Corporation P. O. Box 5000 Clearwater, Florida 33518	12/28/77 (Loan to Jo Ann Saunders Campaign Fund)	4021	60
South East First National Bank of Orlando 201 E. Pine Street Orlando, Florida 32801	8/20/76 (Loan to Jo Ann Saunders Campaign Fund) Orange County Circuit Court No. 76-10067 - Judgment 3/3/77	4800	86
Financial Indemnity Co. c/o Timothy J. Maynor, Esquire Suite 433, 1st Federal Building P. O. Box 2809 Orlando, Florida 32802	4/11/75 (Guarantor on a performance bond of Building Movers, Inc. with George N. Saunders, Mary B. Saunders and George E. Saunders) 18th Judicial Circuit of Seminole County, Florida No. 76-125-CA-03-D - No Judgment	300000	00
Combank of Winter Park 750 S. Orlando Avenue Winter Park, Florida 32789	(i) 3/2/77 - Joint Business Loan to Building Movers, Inc.,** (Suit filed Orange County Circuit Court No. 75-2040)	14000	00
	(ii) 3/2/77 - Judgment on Business Loan against Building Movers, Inc. and the guarantors: Doris Jo Ann Saunders and George E. Saunders - Orange County Circuit Court, 9th Judicial Ct., #76-9937	53849	99
	Total	443425	49

*Plus attorney fees

**Endorsed by George E. Saunders and the Bankrupt

* [Use as many additional sheets with adequate spacing between creditors.]

SCHEDULE B.–STATEMENT OF ALL PROPERTY OF BANKRUPT

Schedules B–1, B–2, B–3, and B–4 must include all property of the bankrupt as of the date of the filing of the petition by or against him.

SCHEDULE B-1.–REAL PROPERTY*

Description and location of all real property in which bankrupt has an interest (including equitable and future interests, interests in estates by the entirety, community property, life estates, leaseholds, and rights and powers exercisable for his own benefit)	Nature of interest (specify all deeds and written instruments relating thereto)	Market value of bankrupt's interest without deduction for secured claims listed in Schedule A–2 or exemptions claimed in Schedule B–4	
		$	
None		0	00
	Total	0	00

*[Where spaces above are inadequate for detailed listing of assets, please use additional sheets.]

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U.S.S.C. OFFICIAL BANKRUPTCY FORM

WASHINGTON LAW REPORTER FORM 6

SCHEDULE B-2.—PERSONAL PROPERTY*

Type of property	Description and location	Market value of bankrupt's interest without deduction for secured claims listed on schedule A-2 or exemptions claimed in schedule B-4	
a. Cash on hand		$ 15	00
b. Deposits of money with banking institutions, savings and loan associations, credit unions, public utility companies, landlords, and others	Joint checking account with husband, George E. Saunders	12	95
c. Household goods, supplies, and furnishings	Hair dryer and electric cutlers (8 years old); two pair eye glasses	0	00
d. Books, pictures, and other art objects; stamp, coin, and other collections	None	0	00
e. Wearing apparel, jewelry, firearms, sports equipment, and other personal possessions	Personal Clothes - $150.00 Costume Jewelry - $ 25.00	175	00
f. Automobiles, trucks, trailers, and other vehicles	None	0	00
g. Boats, motors, and their accessories	None	0	00
h. Livestock, poultry, and other animals	None	0	00
i. Farming supplies and implements	None	0	00
j. Office equipment, furnishings, and supplies	None	0	00
k. Machinery, fixtures, equipment, and supplies (other than those listed in items j and l) used in business	None	0	00
	Sub Total	202	95

*[Where spaces above are inadequate for detailed listing of assets, please use additional sheets.]

SCHEDULE B-2.—PERSONAL PROPERTY (CONT.)*

Type of property	Description and location	Market value of bankrupt's interest without deduction for secured claims listed on Schedule A-2 or exemptions claimed on Schedule B-4	
l. Inventory	None	$ 0	00
m. Tangible personal property of any other description	(i) 1977 tax refund (ii) Salary earned, but not received	315 515	77 00
n. Patents, copyrights, franchises, and other general intangibles (specify all documents and writings relating thereto)	None	0	00
o. Government and corporate bonds and other negotiable and non-negotiable instruments	None	0	00
p. Other liquidated debts owing bankrupt or debtor	None	0	00
q. Contingent and unliquidated claims of every nature, including counterclaims of the bankrupt or debtor (give estimated value of each)	None	0	00
r. Interests in insurance policies (itemize surrender or refund values of each)	None	0	00
s. Annuities	None	0	00
t. Stocks and interests in incorporated and unincorporated companies (itemize separately)	None	0	00
u. Interests in partnerships	None	0	00
v. Equitable and future interests, life estates, and rights or powers exercisable for the benefit of the bankrupt or debtor (specify all written instruments relating thereto)	None	0	00
	Total	1,033	72

*[Where spaces above are inadequate for detailed listing of assets, please use additional sheets.]

7 9 0 4 0 1 4 0 4 5 7

U.S.S.C. OFFICIAL BANKRUPTCY FORM

WASHINGTON LAW REPORTER FORM 6

SCHEDULE B-3.—PROPERTY NOT OTHERWISE SCHEDULED

Type of property	Description and location	Market value of bankrupt's interest without deduction for secured claims listed in schedule A-2 or exemptions claimed in schedule B-4	
a. Property transferred under assignment for benefit of creditors, within 4 months prior to filing of petition (specify date of assignment, name and address of assignee, amount realized therefrom by the assignee, and disposition of proceeds so far as known to bankrupt)	None	$ 0	00
b. Property of any kind not otherwise scheduled	None	0	00
	Total	0	00

U.S.S.C. OFFICIAL BANKRUPTCY FORM

WASHINGTON LAW REPORTER FORM 6

SCHEDULE B-4.—PROPERTY CLAIMED AS EXEMPT*

Type of property	Location, description, and so far as relevant to the claim of exemption, present use of property	Reference to statute creating the exemption	Value claimed exempt	
			$	
	None		0	00
		Total	0	00

*[All property claimed as exempt must be itemized in detail.]

SUMMARY OF DEBTS AND PROPERTY*

[From the statements of the bankrupt in Schedules A and B]

Schedule	Debts and property		Total	
	DEBTS		$	
A-1/a	Wages having priority		0	00
A-1/b(1)	Taxes owing United States		21,412	77
A-1/b(2)	Taxes owing States		0	00
A-1/b(3)	Taxes owing other taxing authorities		0	00
A-1/c(1)	Debts having priority by laws of the United States		0	00
A-1/c(2)	Rent having priority under State Law		0	00
A-2	Secured claims		0	00
A-3	Unsecured claims without priority		443,425	49
		Schedule A Total	$464,838	26
	PROPERTY		$	
B-1	Real property (total value)		0	00
B-2/a	Cash on hand		15	00
B-2/b	Deposits		12	95
B-2/c	Household goods		0	00
B-2/d	Books, pictures, and collections		0	00
B-2/e	Wearing apparel and personal possessions		175	00
B-2/f	Automobiles and other vehicles		0	00
B-2/g	Boats, motors, and accessories		0	00
B-2/h	Livestock and other animals		0	00
B-2/i	Farming supplies and implements		0	00
B-2/j	Office equipment and supplies		0	00
B-2/k	Machinery, equipment, and supplies used in business		0	00
B-2/l	Inventory		0	00
B-2/m	Other tangible personal property		315	77
B-2/n	Patents and other general intangibles		0	00
B-2/o	Bonds and other instruments		0	00
B-2/p	Other liquidated debts		0	00
B-2/q	Contingent and unliquidated claims		0	00
B-2/r	Interests in insurance policies		0	00
B-2/s	Annuities		0	00
B-2/t	Interests in corporations and unincorporated companies		0	00
B-2/u	Interests in partnerships		0	00
B-2/v	Equitable and future interests, rights, and powers in personality		0	00
B-3/a	Property assigned for benefit of creditors		0	00
B-3/b	Property not otherwise scheduled		0	00
B-4	Property claimed as exempt	$-0.00-	0	00
		Schedule B Total	$1,033	72

*[Total of Schedule B above consists of items B-1 through B-3b inclusive, less the amount claimed in B-4.]

OATH OF INDIVIDUAL TO SCHEDULES A AND B

State of VIRGINIA
CITY
~~XXXXX~~ of ALEXANDRIA } ss.

I, Doris Jo Ann Saunders, do hereby swear that I have read the foregoing schedules, consisting of sheets, and that they are a statement of all my debts and all my property in accordance with the Bankruptcy Act, to the best of my knowledge, information, and belief.

Signed: Doris Jo Ann Saunders

Subscribed and sworn to before me on April 5, 1978

Diane L. Drurber

Notary Public
[Official character]

OATH ON BEHALF OF CORPORATION TO SCHEDULES A AND B

State of _____
County of _____ } ss.

I, _____, the President [*or other officer or* an authorized agent] of the corporation named as bankrupt in this proceeding, do hereby swear that I have read the foregoing schedules, consisting of sheets, and that they are a statement of all the debts and all the property of the corporation in accordance with the Bankruptcy Act, to the best of my knowledge, information, and belief.

Signed: _____

Subscribed and sworn to before me on _____

_____

_____
[Official character]

OATH ON BEHALF OF PARTNERSHIP TO SCHEDULES A AND B

State of _____
County of _____ } ss.

I, _____, a member [*or* an authorized agent] of the partnership named as bankrupt in this proceeding, do hereby swear that I have read the foregoing schedules, consisting of sheets, and that they are a statement of all the debts and all the property of the partnership in accordance with the Bankruptcy Act, to the best of my knowledge, information, and belief.

Signed: _____

Subscribed and sworn to before me on _____

_____

_____
[Official character]

AN EQUAL OPPORTUNITY [redacted]

FIRST CLASS

Mr. William Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20005

4th Flor

FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 642

Date Filmed 6/29/79 Camera No. --- 2

Cameraman GPC