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THIS IS THE END OF TAPE 659

Date Filmed 9/9/70 Camera No. 2

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FEDERAL ELECTION COMMISSION

Bank Account Records

Internal Memoranda

Compliance Agreements

Letters

Comm. Notes (Exec. Session)

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

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| <input type="checkbox"/> (1) Classified Information | <input type="checkbox"/> (6) Personal privacy |
| <input type="checkbox"/> (2) Internal rules and practices | <input checked="" type="checkbox"/> (7) Investigatory files |
| <input checked="" type="checkbox"/> (3) Exempted by other statute 5010 Compliance | <input checked="" type="checkbox"/> (8) Banking Information |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well information (geographic or geophysical) |
| <input checked="" type="checkbox"/> (5) Internal Documents | |

Signed _____

Date _____

FEC 9-21-77

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Recommendation

The Office of General Counsel, therefore, recommends that the Commission:

1.

2. find probable cause to believe that Jeffrey Bell violated 2 U.S.C. § 441a(f) and authorize the filing of a civil suit;

3.

a)

b)

c)

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November 10, 1979

MEMORANDUM FOR: The Commission

TO: Charles M. Steele,
Acting General Counsel

SUBJECT: Report on the Status of Litigation Regarding
FBI v. Marjorie Bell, et al., Civil Action
No. 79-1891 (D.D.C.) and Related MDR 450(79)

Background

On October 4, 1979, the Commission found reasonable cause to believe that Jeffrey Bell violated 2 U.S.C. § 441a(f) by knowingly accepting \$51,400 in contributions made by his mother, Marjorie Bell, in connection with his federal election campaign for the Senate from New Jersey, which were in excess of the limitations found at 2 U.S.C. § 441a(a)(1)(A) and § 441a(a)(3). Three months previous to this action, the Commission authorized and filed suit in the District Court of the District of Columbia against Marjorie Bell, the candidate's principal campaign committee, the Bell for Senate Committee, and its two treasurers, Mr. Andrew P. Napolitano and James S. Wagner seeking enforcement of the Act on alleged violations of 2 U.S.C. § 441a(a)(1)(A) and § 441a(a)(3) by Mrs. Bell, and § 441a(f) and § 434(b) by the Committee and its treasurers. On October 10, 1979, conciliation/settlement discussions were initiated between OGC staff and counsel for respondent and defendants regarding settlement of claims raised with respect to the defendants in Civil Action No. 79-1891 (D.D.C.)

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- 2 -

In the related litigation, the Commission won denial of defendants' motion for summary judgment, or in the alternative motion to dismiss, and denial of defendants' motion for stay of discovery. On October 26, 1979, defendants each filed answers to interrogatories propounded to them and produced documents requested of them by the Commission. On November 12th and 13th the Office of General Counsel deposed defendant Marjorie Bell, the candidate's sister, Michael Ann Bell Vargas, and the candidate/respondent Jeffrey Bell.

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Facts Discovered

In the course of the above noted three depositions and its related discovery efforts, the Office of General Counsel has amassed evidence which indicates that the transfers of money made by Mrs. Bell to her son, the candidate, were in fact directly used in his campaign and to meet living expenses which he had incurred during the course of his campaign. Office of General Counsel staff also discovered in the course of the deposition of Mrs. Bell that immediately after her husband's death and her being notified that she would be receiving in excess of \$200,000 in death benefits, Mrs. Bell offered all the money she had received from her husband's estate to her two children, indicating that it was "family money" to be used as they saw fit. This offer was made prior to the announcement of her son's intention to run for the Senate for New Jersey. The evidence also indicates that Mrs. Bell, had she believed it necessary at the time, would have executed any legal instrument necessary to transfer complete legal title to the funds to her two children. In fact, she is still willing to do so today. She intended, and believed that, she was transferring total access to and control over the monies to her children when she first offered it to them.

The testimony of all three witnesses also indicated there was generally no interest or participation in or knowledge of the campaign activities of Jeffrey Bell on the part of Mrs. Bell sufficient to establish that at the time of said offer she was contributing money for the purpose of aiding her son's election to the Senate. In addition, it appears that during the time of all of the transfers, she did not know what the money was to be used for and would have given him the money for any purpose.

Deposition testimony received from Jeffrey Bell indicated a number of conscious acts on his part to take the money offered and use it for purposes of meeting expenses incurred by his campaign committee and his own personal living expenses. It was discovered in the course of these depositions that with respect to the last two transfers of \$35,000 and \$15,000 made in the final days of the primary campaign, Mr. Bell specifically indicated to his mother that the campaign urgently needed money to pay for "last minute" television spots and in one instance instructed her to send the money directly to his committee. While Mrs. Bell appears to have not cared what the money was going for, that money was wired to the committee. At that point, committee assistant treasurer James S. Wagner and campaign manager Ron Pearson consulted with the candidate and indicated that they would not accept the money from the mother directly but that the money should be directed to the committee through Jeffrey Bell. The money, according to Jeffrey Bell, was immediately wired back to the mother and then re-transferred to Jeffrey Bell and, in turn, loaned by him to his committee.

Preliminary Settlement Discussions

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Recommendation

Mr. [Name]
[Address]
[City]

Dear Sir:

As you requested in your telephone conversation,
I am enclosing the [document] material in this
case.

Sincerely,

[Signature]
William C. Oldaker
General Counsel

Enclosures

November 10, 1978

Mr. [Name]
[Address]
Washington, D.C. 20540

Re: FEC v. Bartoris, et al.
Civil Action No. 78-1001
(D.D.C.)

Dear Mr. [Name]:

As per your request, please find copies of the consultation agreements and a few related documents for the [Name] matter and the [Name] matter. I did not copy the entire files as they are both quite lengthy and would be expensive to reproduce. I bring to your attention the enclosed letter to Loren Smith from the Commission's Office of General Counsel indicating that your co-counsel has had a copy of the Keahey material since July 18, 1978. Nevertheless, the full files are on the public record and, of course, can be reviewed in their entirety at the Public Records Division of the Commission.

After you have had an opportunity to review these documents, I hope that you will contact me so that we might continue our discussions regarding settlement of this matter. As I mentioned to you in our conversations of November 15th and 16th, we are under some time constraint in moving forward on this case. With this in mind, we look forward to hearing from you shortly.

Sincerely,

Patricia F. Bak
Attorney

Enclosures

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NOV 559 (78)

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
reverse.

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

2. ARTICLE ADDRESSED TO:
John S. Ward, Esq
BASKIN & SEARS

3. ARTICLE DESCRIPTION:
REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 | 943230 |
(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY | POSTMARK
11/17/79 |

5. ADDRESS: (Complete only if requested)

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

BASKIN AND SEARS

ATTORNEYS AT LAW
818 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20008



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

Delivered by hand
Archer Courier
10-30-79

80040203362

In the Matter of
Marjorie Bell

GENERAL COUNSEL'S REPORT

Background

On October 18, 1979, the Office of General Counsel re-
ceived a letter from John Ward, counsel for respondent Marjorie
Bell and defendants to Civil Action No. 79-1891 (D.D.C.)
Marjorie Bell, the Bell for Senate Committee, the Committee's
treasurer, Andrew P. Napolitano, and assistant treasurer James
S. Wagner.

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10/22/71
Date

[Signature]
Name of Officer
General Counsel

80040203368

BASKIN & SEARS
ATTORNEYS AND COUNSELLORS AT LAW
818 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20006

COMMISSION

78 OCT 17 PM 4:00

60040203369

Mr. William C. Oldaker
Federal Election Commission

Mr. William Oldaker
General Counsel
Federal Election Commission
1125 K Street, N.W.
Washington, D.C. 20543

RE: MUR 189 (78)

Dear Mr. Oldaker:

This letter is in response to your letter and attached order and subpoena sent to Mr. Jeffrey Bell, dated August 23, 1978. It is my understanding that you have received a letter from Mr. Paul Kamemar requesting that the return date of the order and subpoena be changed to September 20, 1979 and that such request has been granted (copies of letters attached.)

We will be counsel to Mr. Bell in this proceeding, as we have been since we received your initial inquiry into this matter on or about August 10, 1978. We would appreciate all correspondence in this matter sent to us at the above address.

After a careful review of the interrogatories and the request to produce documents, we can only conclude that this MUR proceeding is inexorably intertwined with the litigation that is currently proceeding in the United States District Court for the District of Columbia, E. E. C. v. Marijia Bell et al., Civil Action No. 79-1891. Accordingly, we hereby request the Commission to stay all activity being conducted in connection with this MUR proceeding pending the outcome of the above cited law suit.

000402371

We must mention at this point how puzzled and shocked we were to have received your August 23rd letter. You must certainly be aware of the fact that we have a series of complaints which we have lodged with your office regarding the rather bizarre manner in which the Commission has handled this matter to date. Rather than recalling the specific complaints at this point, we would like to say that for over a year the Commission has had before it the matter of MUR 559 (78), stemming from the campaign of Jeffrey Bell for the United States Senate seat in New Jersey. During that time interval, the Commission has sued Marjorie Bell, the widowed mother of Jeffrey Bell, the Bell for Senate Committee, the Treasurer of the aforementioned committee and the Assistant Treasurer of the aforementioned committee. Now, we receive your letter indicating that the Commission, presumably after due and careful deliberation, has found reason to believe that Jeffrey Bell may have violated §441a(f) of the Federal Election Campaign Act of 1971, as amended.

Admittedly, there may be circumstances where the above sequence of events would fairly be judged the normal course of action. We do not accept the fact, though, that this is such a circumstance. It would be presumptuous on our part to speculate as to why it was left to this late date for the Commission to return a finding of "reason to believe" against Mr. Bell. However, given the status of the pending litigation, it is essential that the Commission stay all further activity in this MUR.

To begin with, it is not unfair to say that if the Commission, in its wisdom, has waited this long to act against Mr. Bell, they can wait still longer for a judicial determination of this issue, which is central to the apparent violation which the Commission has found he may have committed. More important, the integrity of the judicial process and the First Amendment rights of Mr. Bell demand that all Commission proceedings against him cease until the underlying issue regarding the legality of the contributions in question is resolved. No public interest can possibly be served by continuing this inquiry of Mr. Bell until the underlying legal issue is settled. If Mrs. Bell prevails

in the aforementioned case, there can be no further action against her son. Accordingly, there should be no reason for him to expend time, energy and money to pursue this inquiry. If Mrs. Bell does not prevail, there can be no detriment to the public interest, given the already considerable delay in enforcement which has heretofore transpired.

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In fact, the public interest can only suffer if a stay is not granted. While we are not making this demand at this time, one cannot ignore the position in which the Commission has placed our clients. For some seemingly insupportable reason, you are suing the mother of the candidate before you have found any reason to believe the candidate violated the law. Now, Jeffrey Bell is faced with an order and subpoena, which if answered will presumably lead to a conciliation proceeding that can only be tainted by the prospect of his mother being some sort of legal hostage in the pending lawsuit. This on top of the fact that, in our view, the Commission is dangerously close to violating, if indeed it has not already violated, the First Amendment rights of Jeffrey Bell. For well over one year this matter has been pending before the Commission, with all the "chilling" aspects inherent in such a proceeding upon a political figure such as Mr. Bell. For the Commission to make a "reason to believe" finding now, at this late date and after proceeding with the aforementioned lawsuit, reads severely upon the civil rights of our client. If a stay under these circumstances is not granted, we can only conclude that such activity is intentional on the part of the Commission and act accordingly.

Given all of the above, we require that the Commission decide this request no later than Friday, September 28, 1979. If we have not heard from your office as of 3:00 pm that date, we will conclude that you have denied this request.

Sincerely,

John S. Ward

JSW:mr

Enclosures

cc: Mr. Robert Tiernan
Mr. Max Friedersdorf
Ms. Patricia Bak

In the Matter of
Jeffrey Bell

FEDERAL CAMPAIGN DISCLOSE

Background

On October 4, 1979, the Commission found cause to believe that Jeffrey Bell violated 2 U.S.C. § 441a(f) by knowingly accepting \$51,402 in contributions made by his mother, Marjorie Bell, in connection with his federal election campaign for the Senate from New Jersey, which were in excess of the limitations found at 2 U.S.C. § 441a(a)(1)(A) and 441a(a)(3).

On October 4, 1979, a letter notifying respondent of the Commission's finding and of the opportunity for conciliation of the matter pursuant to 2 U.S.C. § 437g(a)(5)(A) was sent to respondent's counsel.

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Discussion

In its complaint filed with the District Court for the District of Columbia, the Commission asked, inter alia, for the court to assess a civil penalty of \$10,000 or 200% of the

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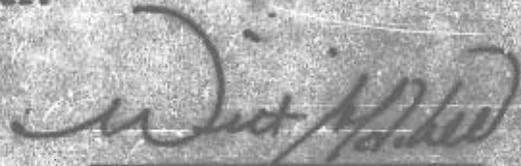
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Recommendations

For the above stated reasons the Office of General Counsel recommends that the Commission:

- 1.
- 2.
3. Send the attached letter.

10/16/79
Date



William C. Oldaker
General Counsel

Attachments

- I.
- II.

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1115 K Street, N.W.
Washington, D.C. 20543

Dear Mr. Oldaker:

This letter is in response to your letter and attached order and subpoena sent to Mr. Jeffrey Bell, dated August 23, 1979. It is my understanding that you have received a letter from Mr. Paul Kamemar requesting that the return date of the order and subpoena be changed to September 20, 1979 and that such request has been granted (copies of letters attached.)

We will be counsel to Mr. Bell in this proceeding, as we have been since we received your initial inquiry into this matter on or about August 10, 1978. We would appreciate all correspondence in this matter sent to us at the above address.

After a careful review of the interrogatories and the request to produce documents, we can only conclude that this MUR proceeding is inexorably intertwined with the litigation that is currently proceeding in the United States District Court for the District of Columbia, F.E.C. v. Marjorie Bell, et al., Civil Action No. 79-1891. Accordingly, we hereby request the Commission to stay all activity being conducted in connection with this MUR proceeding pending the outcome of the above cited law suit.

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We must mention at this point how puzzled and shocked we were to have received your August 23rd letter. You must certainly be aware of the fact that we have received a series of complaints which we have lodged with your office regarding the rather bizarre manner in which the Commission has handled this matter to date. Rather than recalling the specific complaints at this point, we prefer to say that for over a year the Commission has not acted on the matter of MUR 859 (78), stemming from the campaign of Jeffrey Bell for the United States Senate seat in New Jersey. During that time interval, the Commission has sued Marjorie Bell, the widowed mother of Jeffrey Bell, and Bell for Senate Committee, the Treasurer of the aforementioned committee and the Assistant Treasurer of the same mentioned committee. Now, we receive your letter indicating that the Commission, presumably after due and careful deliberation, has found reason to believe that Jeffrey Bell may have violated §441a(f) of the Federal Election Campaign Act of 1971, as amended.

Admittedly, there may be circumstances where the above sequence of events would fairly be judged the normal course of action. We do not accept the fact, though, that this is such a circumstance. It would be presumptuous on our part to speculate as to why it was left to this late date for the Commission to return a finding of "reason to believe" against Mr. Bell. However, given the status of the pending litigation, it is essential that the Commission stay all further activity in this MUR.

To begin with, it is not unfair to say that if the Commission, in its wisdom, has waited this long to act against Mr. Bell, they can wait still longer for a judicial determination of this issue, which is central to the apparent violation which the Commission has found he may have committed. More important, the integrity of the judicial process and the First Amendment rights of Mr. Bell demand that all Commission proceedings against him cease until the underlying issue regarding the legality of the contributions in question is resolved. No public interest can possibly be served by continuing this inquiry of Mr. Bell until the underlying legal issue is settled. If Mrs. Bell prevails

In the aforementioned case, there can be no prejudice against her son. Accordingly, there should be no reason for him to expend time, energy and money to pursue this inquiry. If Mrs. Bell does not prevail, there can be no detriment to the public interest, given the already significant delay in enforcement which has heretofore transpired.

In fact, the public interest can only suffer if a stay is not granted. While we are not making this claim at this time, one cannot ignore the position in which the Commission has placed our clients. For some seemingly inexplicable reason, you are suing the mother of the candidate before you have found any reason to believe the candidate violated the law. Now, Jeffrey Bell is faced with an order and subpoena, which if answered will presumably lead to a conciliation proceeding that can only be tainted by the prospect of his mother being some sort of legal hostage in the pending lawsuit. This on top of the fact that, in our view, the Commission is dangerously close to violating, if indeed it has not already violated, the First Amendment rights of Jeffrey Bell. For well over one year this matter has been pending before the Commission, with all the "chilling" aspects inherent in such a proceeding upon a political figure such as Mr. Bell. For the Commission to make a "reason to believe" finding now, at this late date and after proceeding with the aforementioned lawsuit, treads severely upon the civil rights of our client. If a stay under these circumstances is not granted, we can only conclude that such activity is intentional on the part of the Commission and act accordingly.

Given all of the above, we require that the Commission decide this request no later than Friday, September 28, 1979. If we have not heard from your office as of 3:00 pm that date, we will conclude that you have denied this request.

Sincerely,

John S. Ward

JSW:mr

Enclosures

cc: Mr. Robert Tiernan
Mr. Max Friedersdorf
Ms. Patricia Bak

30040203379

Mr. John S. Ward
MARTIN AND STARR
818 Connecticut Avenue, N.W.
Washington, D.C. 20002

Dear Mr. Ward:

On October 2, 1978, the Commission determined there was reasonable cause to believe that your client, Jeffrey Bell, committed a violation of § 441a(2) of the Federal Election Campaign Act of 1971, as amended by knowingly accepting contributions from Marjorie Bell made in violation of 2 U.S.C. § 441a.

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)(A). 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 United States District Court and seek payment of a civil penalty. 2 U.S.C. § 437g (a)(5)(B).

Please contact Patricia F. Bak (202) 523-4039 at your earliest possible convenience so that we may begin conciliation of this matter.

Sincerely yours,



William C. Oldaker
General Counsel

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To the Board of
Jeffrey Hall

RESOLUTION

1. Lena L. Stafford, Recording Secretary for the Federal Reserve
Commissioner's Executive Session on October 2, 1979, do hereby certify
that the Commission decided by a vote of 5-0 to take the following
actions in the above-captioned matters:

1. Find NECESSARY CAUSE TO REMOVE that a violation
of 2.U.S.C. 541a(7) may have been committed by
respondent Jeffrey Hall.
2. Approve the letter attached to the General
Counsel's Report dated September 25, 1979.

Voting for this determination were Commissioners Friederick,
Tiernan, Harris, McGarry, and Raiche.

Attest:

Lena L. Stafford

Lena L. Stafford
Recording Secretary



80040303362

In the Matter of
Jeffrey Hall

I, Lena L. Stafford, Recording Secretary for the Federal
Commission Executive Session held on October 3, 1979, do hereby certify
that the Commission approved by a vote of 9-0 to adopt the following
recommendation set forth in the General Counsel's Report dated
September 25, 1979, regarding the above-captioned matter:

1. Find ~~guilty~~ liable that a violation of
2 U.S.C. § 442a(2) may have been committed by
respondent Jeffrey Hall.
2. Approve the letter, order, and subpoena attached
to the above-captioned report.

Voting for this determination were Commissioners Friedlander,
Tiernan, Harris, McGarry, and Feiche.

Attest:

10/2/79

Date

Lena L. Stafford

Lena L. Stafford
Recording Secretary

80040203303

Handwritten:
10-3-79
10-8-79

MEMORANDUM FOR THE CHAIRMAN
DATE: SEPTEMBER 27, 1979
SUBJECT: OBJECTION - MUR 559 - General Counsel's Report
dated 3-28-79; Resolved by vote
3-24-79, 10:40

The above-named document was circulated on a 48 hour
vote basis at 11:00, September 26, 1979.

_____ submitted an objection at 2:59,
September 27, 1979, thereby placing MUR 559 on the
Executive Session Agenda for October 2, 1979.

80040203304

On March 22, 1979, the Commission based its decision on the evidence and believe that:

- (1) Mrs. Burjovic Bell violated 2 U.S.C. § 441a(f), 441f, and 434(b);
- (2) Jeffrey Bell violated 2 U.S.C. § 441f;
- (3) The Bell for Senate Committee violated 2 U.S.C. §§ 441a(f), 441f, and 434(b),

and authorized the filing of a civil suit.

In preparing the complaint, the Office of General Counsel concluded that alleging a violation of 2 U.S.C. § 441f as to all respondents in view of the facts of this case would be a poor litigation strategy, since as compared to other cases involving alleged violations of § 441f, the facts of this case would require argument of a more novel, tenuous theory of the reach of § 441f. This being the case, the Office of General Counsel omitted all § 441f claims in the complaint filed in the District Court for the District of Columbia on July 20, 1979.

By report dated August 14, 1979 (Attachment I) the Office of General Counsel recommended to the Commission that a finding of violation of 2 U.S.C. § 441a(f) which, inter alia, provides that no candidate shall knowingly accept contributions in excess of the

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Citing to findings discovered in the course of the Commission's investigation of other claims brought to the Office of General Counsel indicated that there was no legal or factual basis to support a claim that, prior to his candidacy, Jeffrey Bell had legal right of access to, or control over, the \$32,400 that was reported as loans from his to the Bell for Senate Committee. Since Jeffrey Bell had signed a waiver of his reporting responsibilities with the Commission, the Office of General Counsel maintained that the transfers made by Jeffrey Bell to his Committee which consisted of funds given to him by his mother, Mrs. Marjorie Bell, should accordingly be considered contributions from Mrs. Bell to the Bell for Senate Committee. 11 C.F.R. § 101.3. The Office of General Counsel further noted that the investigation as to all other claims had indicated that all of the loans were made prior to the primary held on June 6, 1978, so that \$51,400 of the money given by Mrs. Bell was in violation of Mrs. Bell's \$1,000 contribution limitation for the primary under 2 U.S.C. § 441a(a)(1)(A) and also in violation of the \$25,000 limitation for contributions made in the course of a calendar year as provided by 2 U.S.C. § 441a(a)(3).

Citing once again to facts discovered in the course of the investigation as to all other claims and respondents, the Office of General Counsel indicated that Mrs. Bell was fully aware that

were that he was... of both the \$1,000 and \$5,000...

Upon this evidence, the Commission found... that a violation of 2 U.S.C. § 441a(f) may have been committed by that respondent Jeffrey Bell, and issued an order and subpoena requiring respondent Jeffrey Bell answer the Commission's interrogatories and produce those documents requested for inspection by the Commission. Respondent's counsel requested an extension of time within which to respond to the Commission order and subpoena and the Office of General Counsel granted respondent a ten day extension.

On September 20, the Office of General Counsel received the attached response (Attachment II) to the Commission's letter of notification of its finding of reason to believe Jeffrey Bell had violated 2 U.S.C. § 441a(f) and attached order and subpoena. Essentially, respondent refused to respond to the Commission's interrogatories and requests for production of documents, claiming that the MUR proceeding against him was inexorably intertwined with the case of FEC v. Marjorie Bell, et al. already filed with the District Court, and requested that the Commission stay all consideration of its finding against Jeffrey Bell pending the outcome of the above cited litigation.

Analysis

While the Commission could seek enforcement of its subpoena and order in court, the Office of General Counsel has received

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Michael Lee Bell, Jr., in the pending litigation with
Bellman, who would be under control through Mrs. Bell.
In the Commission's investigation of all other cases
the course of this matter, permits the Commission's
reasonable cause to believe that Jeffrey Bell violated § 441a
in knowingly accepting contributions in violation of the
contribution limitations set out in § 441a.

Specifically, in further support of those facts already
in the Commission's possession indicating that Mrs. Bell had
the power to deny Jeffrey Bell access to the funds and that
it was only Mrs. Bell who in fact had complete access to and
control over the funds in question, is Mrs. Bell's own affidavit
(Attachment III) wherein she states, "I would have given him
... any amount [he] would have asked for . . . up to a point
of jeopardizing what I calculate to be my future needs."
(Defendant Marjorie Bell's Affidavit at 2). In further support
of the Commission's contention that Mrs. Bell gave her son
the monies in question for the purpose of influencing his elec-
tion to the Senate for the state of New Jersey is defendants'
points and authorities in support of their motion to dismiss
or, in the alternative, for summary judgment, wherein defendants
state that Mrs. Bell, "realizing that her son was contemplating
embarking upon an ambitious undertaking, which would prevent

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(Respondent Jeffrey Bell's Affidavit at 1). In addition, there is Jeffrey Bell's affidavit (Attachment IV) wherein he states, "In a conversation in Akron some time in that first week of April, 1977 she took me aside and told me that in view of my interest in making a run for the U.S. Senate in New Jersey and in light of my own lack of personal wealth, that in all probability I would have more need of money in the immediate period ahead than I would ever have again. She said that since she would rather I benefit from that half of her wealth I would eventually inherit at a time when I needed it rather than at some distant date after her death, that I should regard her money as mine to draw from at any time." (Emphasis added) (Respondent Jeffrey Bell's Affidavit at 1).

The Office of General Counsel believes that the sworn statements of both the respondent to this matter and defendant Marjorie Bell, supply the Commission with sufficient additional information for its finding of reasonable cause to believe that Jeffrey Bell violated § 441a(f), without the Commission having to involve itself in the potentially lengthy process of seeking court enforcement of its subpoena and order.

2 U.S.C.

Bell.

2. Draft letter.

Date

William C. [Signature]
General Counsel

Attachments

- I. First General Counsel's Report dated September 14, 1979.
- II. Response Letter of Reply to Commission's notification of RCTB, order and subpoena dated September 20, 1979.
- III. Affidavit of Marjorie Bell
- IV. Affidavit of Jeffrey Bell
- V. Affidavit of Michael Ann Bell Vargas
- VI. Draft letter of notification of RCTB.

8004020339

Re: Jeffrey Bell
Bell for Senate Committee

Background

On March 22, 1979, the Commission found probable cause to believe that:

- (1) Mrs. Marjorie Bell violated 2 U.S.C. §§ 441a(1)(A), 441f;
- (2) Jeffrey Bell violated 2 U.S.C. § 441f;
- (3) The Bell for Senate Committee violated 2 U.S.C. §§ 441a(f), 441f, 434(b),

and authorized the filing of a civil suit.

The basis for the above findings is the nature of approximately \$52,400.00 of some \$75,000.00 transferred from Marjorie Bell to Jeffrey Bell. Marjorie Bell is the mother of Jeffrey Bell. The Commission's investigation supported its finding that there is probable cause to believe that these funds were contributions made by Marjorie Bell to influence the election of Jeffrey Bell.

In preparing the complaint, the Office of General Counsel concluded that alleging a violation of 2 U.S.C. § 441f as to all respondents in view of the facts of this case would be a poor litigation strategy. As compared to other cases involving alleged violations of § 441f, the facts of this case would require argument of a more novel, tenuous theory of the reach of § 441f.

2 U.S.C. § 441f provides that:

No person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution and no person shall knowingly accept a contribution made by one person in the name of another person.

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Other NLRB cases dealing with § 441f (e.g., *Wolstein*, NLRB 127; *Louis Lee*, NLRB 122; and *Conrad*, NLRB 122) involve facts clearly distinguishable from the facts presented in NLRB 122. Generally, § 441f claims in these matters concerned disbursements to third parties, i.e., parties other than the respondent himself, were the persons making the contributions on behalf of the "true contributor". In this case, instead of employees of a corporation, for example, being given money to make a contribution in their names for the corporation, we have Jeffrey Bell's mother, Marjorie Bell, admitting that she gave the funds in question to her son, Jeffrey Bell, the candidate, and that candidate in turn loaning a portion of those monies to his campaign committee. There is no evidence that Marjorie Bell sought out a separate identity (i.e., Jeffrey Bell) to make contributions to Jeffrey Bell. Therefore, the Office of General Counsel has omitted all § 441f claims in the complaint filed.

Analysis

The Office of General Counsel submits that a finding of a violation of 2 U.S.C. § 441a(f) is an appropriate and factually supportable claim against Jeffrey Bell. 2 U.S.C. § 441a(f) provides:

No candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of this section. No officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, in violation of any limitation imposed on contributions and expenditures under this section.

As was fully described in the General Counsel's Report on January 24, 1979, the evidence discovered in the course of the Commission's investigation of other charges brought in this case indicates that there is no legal or factual basis to support a claim that, prior to his candidacy, Jeffrey Bell had legal right of access to, or control over, the \$52,400 that was reported as loans from him to the Bell for Senate Committee. (See Attachment A). Insofar as Jeffrey Bell signed a waiver of his reporting responsibilities with the Commission, the transfers should accordingly be considered contributions from Mrs. Bell to the Bell for Senate Committee. 11 C.F.R. § 101.3.

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June 3, 1979, the Commission's complaint against Jeffrey Bell was in violation of Mrs. Bell's \$1,000 contribution limit for the primary under 2 U.S.C. § 441a(f)(1)(B). In addition, the contributions made by Marjorie Bell were in violation of the \$25,000 limitation for contributions made in the one calendar year as provided by 2 U.S.C. § 441a(f)(2). V to the January 23, 1979 General Counsel's Report and in chart form transfers made by Marjorie Bell to Jeffrey Bell with what was reported as loans made by Jeffrey Bell to his campaign committee. It is clear in looking at Attachment V and the \$35,000 transfer from Marjorie Bell on May 26, 1979, which was turned over that very day by Jeffrey Bell to his campaign committee, that Mrs. Bell was fully aware that her expenses contributions were being used to influence the election of her son to the Senate. It is equally clear that Jeffrey Bell was fully aware that he was receiving contributions from Mrs. Bell which were in excess of both the \$1,000 and \$25,000 contribution limitations.

The evidence, therefore, would seem to support the allegation that Jeffrey Bell violated 2 U.S.C. § 441a(f) by knowingly accepting contributions from his mother made in violation of § 441a(a)(1)(A) and § 441a(a)(3). 1/

Recommendation

1. Find reason to believe that a violation of 2 U.S.C. § 441a(f) may have been committed by respondent Jeffrey Bell.
2. Approve the attached letter, order, and subpoena.

Date _____

William C. Oldaker
General Counsel

Attachments

1. Attachment A (General Counsel's Report dated January 24, 1979, and attachments)
2. Order, Letter and Interrogatories to Respondent

1/ The complaint as filed stated the Commission's claims that Marjorie Bell violated 2 U.S.C. § 441a(a)(1)(A) and that the Bell for Senate Committee violated 2 U.S.C. §§ 441a(f), 434(b). Should the Commission find probable cause to believe that Jeffrey Bell violated 2 U.S.C. § 441a(f), the Office of General Counsel will submit a motion to amend its complaint to include Jeffrey Bell as a defendant.

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00040003349
Mr. William Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20543

RE: MUR 553 (78)

Dear Mr. Oldaker:

This letter is in response to your letter and attached order and subpoena sent to Mr. Jeffrey Bell, dated August 23, 1979. It is my understanding that you have received a letter from Mr. Paul Ramonar requesting that the return date of the order and subpoena be changed to September 20, 1979 and that such request has been granted (copies of letters attached.)

We will be counsel to Mr. Bell in this proceeding, as we have been since we received your initial inquiry into this matter on or about August 10, 1978. We would appreciate all correspondence in this matter sent to us at the above address.

After a careful review of the interrogatories and the request to produce documents, we can only conclude that this MUR proceeding is inexorably intertwined with the litigation that is currently proceeding in the United States District Court for the District of Columbia, F.E.C. v. Marjorie Bell, et al., Civil Action No. 79-1891. Accordingly, we hereby request the Commission to stay all activity being conducted in connection with this MUR proceeding pending the outcome of the above cited law suit.

Mr. William Oldaker
General Counsel
Federal Election Commission
September 20, 1979
Page Two

30040203390

We must mention at this point how puzzled and shocked we were to have received your August 23rd letter. You must certainly be aware of the fact that we have had a series of complaints which we have lodged with your office regarding the rather bizarre manner in which the Commission has handled this matter to date. Rather than recalling the specific complaints at this point, suffice it to say that for over a year the Commission has had before it the matter of MUR 659 (79), stemming from the campaign of Jeffrey Bell for the United States Senate seat from New Jersey. During that time interval, the Commission has sued Marjorie Bell, the widowed mother of Jeffrey Bell, the Bell for Senate Committee, the Treasurer of the aforementioned committee and the Assistant Treasurer of the aforementioned committee. Now, we receive your letter indicating that the Commission, presumably after due and careful deliberation, has found reason to believe that Jeffrey Bell may have violated §441a(f) of the Federal Election Campaign Act of 1971, as amended.

Admittedly, there may be circumstances where the above sequence of events would fairly be judged the normal course of action. We do not accept the fact, though, that this is such a circumstance. It would be presumptuous on our part to speculate as to why it was left to this late date for the Commission to return a finding of "reason to believe" against Mr. Bell. However, given the status of the pending litigation, it is essential that the Commission stay all further activity in this MUR.

To begin with, it is not unfair to say that if the Commission, in its wisdom, has waited this long to act against Mr. Bell, they can wait still longer for a judicial determination of this issue, which is central to the apparent violation which the Commission has found he may have committed. More important, the integrity of the judicial process and the First Amendment rights of Mr. Bell demand that all Commission proceedings against him cease until the underlying issue regarding the legality of the contributions in question is resolved. No public interest can possibly be served by continuing this inquiry of Mr. Bell until the underlying legal issue is settled. If Mrs. Bell prevails

CERTIFIED MAIL
RETURN RECEIPT REQUEST

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20543

REG. MAIL 633 (78)

Dear Mr. Oldaker:

This letter is in response to yours of August 23, 1979 to Jeffrey Bell regarding the above-numbered MUR. Although your letter was dated August 23, it was not received by Mr. Bell's assistant until late August 30.

On behalf of Mr. Bell, I hereby request an extension to respond to your letter to September 20, 1979. Mr. Bell is out of the country and will not return until September 10. Further, John Ward, Esq. of the firm of Baskin & Sears, who is also representing Mr. Bell is out of town until September 10. Therefore, we will need at least 10 days from September 10 to be able to respond to your letter where the FEC allegedly found reason to believe that Mr. Bell violated 2 U.S.C. 441a(2).

For the above same reasons, we request that the return date on the Order And Subpoena that accompanied your letter be changed until September 20, 1979. Pursuant to 11 C.F.R. 111.13, I have attached to this letter a motion to that effect. Of course, these requests for an extension of time are made without prejudice to Mr. Bell's right to raise any and all objections to the Order and Subpoena and your "reason to believe" letter.

Please address all correspondence in this matter to me at the above address as well as to Mr. John Ward, Esq., Baskin & Sears, 818 Connecticut Avenue, N.W., Washington, D.C. 20006.

Very truly yours,

[Signature]
Paul D. Kanenar

encl

To: Jeffrey Bell

ORDER AND SUBPOENA DATED AUGUST 23, 1979

Respondent, Jeffrey Bell, through his counsel, hereby requests that the return date of the ORDER AND SUBPOENA be extended to and including September 20, 1979, for the following reasons:

1. On or about August 30, 1979, Jeffrey Bell's assistant received a copy of the Federal Election Commission's ORDER AND SUBPOENA signed by Robert O. Tiernan, Chairman, and dated August 23, 1979.
2. The ORDER AND SUBPOENA is accompanied by a notice indicating that the return date of the ORDER AND SUBPOENA is 10 days from its receipt, which would be in this case September 10, 1979.
3. Jeffrey Bell is out of the country and will not return until September 10, 1979. Further co-counsel John Ward, Esq. is out of town and will not return until September 10, 1979.
4. WHEREFORE, Respondent requests that the 10-day period begin to run from September 10, 1979, and that his response to the ORDER AND SUBPOENA may be filed on September 20, 1979.

Respectfully,

[Signature]
PAUL WARD, JR.
LOREN SMITH, JR.
Baskin & Sears
818 Connecticut Avenue
Washington, D.C.

[Signature]
PAUL D. KAMENAR, JR.
910 - 17th Street, S.W.
10th Floor
Washington, D.C. 20004
202-223-3148

00040203400
DATED SEPTEMBER 4, 1973

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Attachment III
AFFIDAVIT OF MARJORIE L. BELL

Following the death of my husband on March 28, 1977, in Buffalo, New York, my son Jeffrey Bell and my daughter Michael Ann Vargas accompanied me to Akron, Ohio, to my home. I was so totally unprepared for widowhood that it was a shock to me when, after a meeting my son had with my late husband's immediate superior at the duPont office in Akron, Jeff told me the amount of money I would be receiving (due to the fact that my husband's death occurred prior to the planned date of his retirement). Never having had to deal with any of the problems of financial planning, I was overwhelmed, to put it mildly. Both my husband and I came from families that had no excess capital, and we had realized no more than \$5,000 total from the deaths of our parents. In fact, I had sought my son's help in prevailing upon my husband to take early retirement because of his ongoing illness, assuring him that I would gladly go to work to supplement pension and social security benefits.

I give the above information as a background for what I said to Jeff before he returned to New Jersey sometime during the first week in April, 1977. I simply made the offer of a part of what I considered to be his inheritance as well as mine, to be used at a time when I was sure that he must need it, with the additional consideration of how much it would have pleased his father to have been able to help Jeff in any way he could, had he survived his illness. Jeff responded that he would consider my offer but that, if he did take any money, he definitely would repay it as soon as he was able to do so. As I remember the conversation, he kidded me about the longevity of women in my family and said I probably would live to spend the full amount of his father's estate.

When he returned to Akron in June to help me in the disposal of household furnishings after I had sold our home, I had a check made out to him for \$10,000, taken from my savings account in Akron, dated June 23, 1977. After my move to Michigan, I sent three additional checks from my Ann Arbor savings account: for \$15,000, dated December 7, 1977; for \$35,000, dated May 26, 1978; and for \$15,000, dated May 31, 1978.

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AFFIDAVIT OF MARJORIE L. BELL--2

At the same time that Jeff returned to New Jersey in April of 1977, I accompanied my daughter Michael Ann, her husband, and their four-year-old son for a visit in their home in Ann Arbor, Michigan. Knowing their financial struggle to make ends meet, I made the same kind of offer to her as I had done with Jeff, saying how much pleasure it would give me to see them be able to buy the house they were renting, for instance. I told her if my putting up the money for a down payment would be acceptable to her and her husband that I would very much like to do this. In the summer of 1978 after having been turned down by banks in this area for a mortgage (because of their never having applied for credit before and therefore having no established credit rating), they agreed to let me help them finance the purchase of the house they had been living in for several years. Later on I furnished funds for them to make renovations in the house, which were badly needed. Earlier, in February of 1978, when their only car was beyond repair and my son-in-law was commuting to his job in Detroit, they had accepted the use of a Subaru station wagon which I purchased, putting the title in my name and her husband's, as joint owners. Following is a list of checks made out by Ann Arbor Federal Savings and Loan (new name: Great Lakes Federal Savings and Loan), drawn from my account #088542-6:

2/8/78	Eastland Imports, Detroit	\$ 4,168.00
8/3/78	Donna Lowe (down payment on house)	18,949.06
8/3/78	Hazlett & Judge (lawyer at closing)	133.50
8/7/78	City of Ann Arbor (property tax)	579.38
10/13/78	Michael Bell Vargas (renovations)	5,000.00
1/4/79	Christopher Rydahl (renovations)	2,300.00

In closing I would like to make the point that in regard to money given to Jeff I never intended it as a 'political' contribution in any sense of the word. I would have given him or my daughter any amount either would have asked for, to be used in their personal lives in any way he or she saw fit, up to a point of jeopardizing what I calculate to be my future needs. Furthermore, I consider

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AFFIDAVIT OF MARJORIE L. BELL--3

myself to be a highly ethical person and have never engaged in any questionable activity, financial or otherwise.

Marjorie L. Bell
(Signature of Marjorie L. Bell)

August 10, 1979 (Date)

On this 10th day of August 1979 personally appeared before me Marjorie L. Bell.

Cynthia A. Kim
Cynthia A. Kim, Notary Public
County MI. My Commission Expires May 1, 1981

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Affidavit II
AFFIDAVIT OF JEFFREY BELL

On March 28, 1977, my father, John W. Bell, died at the age of 62 of lung cancer at Roswell Park Memorial Institute in Buffalo, New York. I was present with my mother and sister when he died and remained with my mother for the following week to arrange his burial in Bradford, Pennsylvania, and the funeral services in Akron, Ohio, where my parents lived.

I also supervised the initial details of my father's will, which left everything to my mother. In part because my father died while still actively employed after 31 years with the du Pont Company, the death benefits to my mother were more than she expected. An active, vigorous woman of 56, she expressed a desire to support herself by taking a full-time job and repeatedly remarked that she had come into more money and other financial assets (over \$200,000, not counting pension rights) than she knew what to do with.

In a conversation in Akron some time in that first week of April 1977, she took me aside and told me that in view of my interest in making a race for the U. S. Senate in New Jersey and in the light of my own lack of personal wealth, that in all probability I would have more need of money in the immediate period ahead than I would ever have again. She said that since she would rather I benefit from the half of her wealth I would eventually inherit at a time when I needed it rather than at some distant date after her own death, that I should regard her money as mine to draw on at any time. She said she intended to say the same thing to my sister. After assuring myself that she felt certain of what she was saying and was financially secure enough to make significant funds available, I told her that I was grateful for her offer and would in all probability make use of a portion of the funds, though I also told her that I could not then estimate how much I might eventually draw on. In retrospect, I will add that at the time of this conversation, only days after my mother had been widowed, it did not occur to me to ask her to put our understanding in writing, either with witnesses and legal help or without; nor did I raise the subject or consider asking my mother to execute such a legal document at any later time. Knowing her general attitude and values, I have no doubt that had I done so, she would have instantly complied.

Slightly more than one month later, on May 9, 1977, I filed with the Federal Election Commission as a candidate for the Republican nomination

for the U. S. Senate from New Jersey. Between about June 23, 1977, and June 5, 1978, I received payments of \$75,000 in four checks from my mother's bank accounts to my own account in Trenton, New Jersey. The first check (for \$10,000) came from her account in Akron, Ohio, and the subsequent three came from accounts she later opened in Ann Arbor, Michigan, after moving to Ypsilanti to be near my sister and her family. Between June 27, 1977, and June 5, 1978, I made six loans totalling \$52,400 to my campaign committee, in addition to two loans totalling \$310 that I had made earlier. All through this period I told my mother that I intended to return the funds as soon as I could. She repeatedly said that she had no desire to see the money again, since she considered it mine. I told her that regardless of who she considered to be the real possessor, my returning of the funds would restore them as an income-producing asset to her, and that I had every intention of doing this. As of today I have repaid only \$5,000 of the \$75,000 I received, and my mother accepted this amount only after vehement protest.

At no time did I consult, or consider the possibility of consulting, the counsel to my campaign committee or any other attorney concerning the legality of my mother's checks to me or of my own to my campaign. I was firmly convinced that the funds in question were legally mine to do with as I wished.

STATE OF NEW YORK
 COUNTY OF NEW YORK
 SWORN TO BEFORE ME
 THIS 11th day of August 1979

Ronald B. May

RONALD B. MAY
 NOTARY PUBLIC, State of New York
 No. 41-7775388
 Qualified in Queens County
 Certificate Filed in New York County
 Term Expires March 30, 1980

Jeffery Bell
 (signature)

8-10-79
 (date)

0040203 06 Affidavit I
AFFIDAVIT OF MICHAEL ANN BELL VARGAS

When my father died in March 1977, my mother, Marjorie Bell, inherited over \$200,000. She said this was more money than she had ever dreamed of having and that she didn't know what to do with it. Some time in the next couple of weeks she talked to me about sharing some of the money with me, perhaps to help invest in a home for my family. My husband and I were very resistant to the idea of accepting help of any kind from anybody, and I told her I would consider it. The subject was dropped for some months.

In February 1978 our only family car had a serious breakdown. My husband, George Vargas, was commuting sixty miles to Detroit every day; he had to have a car to stay at his job, and we did not have the money or credit to finance a new car. My mother approached me again, asking if she could help. My husband and I re-evaluated our attitudes toward accepting help from others, and decided to accept her offer.

The following summer when we had an opportunity to invest in the home we were renting, we accepted her help again; and again that winter we accepted money to remodel the kitchen and bathroom. Altogether, the total we accepted amounted to more than \$30,000. My husband and I told my mother we intended to pay her back, but we all knew that due to our financial situation we would not be able to begin doing so for some time.

I have read the statement of my brother, Jeffrey Bell, as well as that of my mother, and I find these statements completely in agreement with what I know. Although I have never discussed this matter with my brother, in my opinion the understanding he had with my mother was identical to my own understanding with her. Throughout the period of her payments to me, and well before, my mother constantly insisted that I regard her money as my own and feel free to make use of it at any time.

Michael Ann Bell Vargas

(Signature of Michael Ann Bell Vargas)

8-10-79

(Date)

On this 10th day of August 1979 Michael Ann Bell Vargas appeared before me,

my commission expires May 4, 1982

Cynthia A. Finn
Cynthia A. Finn, Notary Public, Macomb County

Mr. John A. Ward
BANKIN AND COMPANY
515 Connecticut Avenue, N.W.
Washington, D.C. 20004

Re: MR. (20) (2)

Dear Mr. Ward:

On September 1, 1979, the Commission determined there was reasonable cause to believe that your client, Jeffrey Bell, committed a violation of § 441a(f) of the Federal Election Campaign Act of 1971, as amended by knowingly accepting contributions from Marjorie Bell made in violation of 2 U.S.C. § 441a.

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)(A). 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 United States District Court and seek payment of a civil penalty. 2 U.S.C. § 437g(a)(5)(B).

Please contact Patricia P. Bak (202) 523-4039 at your earliest possible convenience so that we may begin conciliation of this matter.

Sincerely yours,

William C. Oldaker
General Counsel

60040303407

FEDERAL
ELECTION COMMISSION

John Ward, Esquire
Baskin and Sears
818 Connecticut Avenue, N.W.
Washington, D.C. 20006

Re: MEM 455 (78)

Dear Mr. Ward:

As you were informed by my staff, the Federal Election Commission will be unable to respond to your letter of September 20, 1979 before October 5, 1979.

Sincerely yours,

William C. Oldaker
General Counsel


by: Charles H. Steals
Associate General Counsel

80040203408



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMORE/MARGARET CENNEY
DATE: SEPTEMBER 24, 1979
SUBJECT: MUR 659 - Interim Investigative Report
dated 9-17-79; Signed 9-21-79;
Received in OCS 9-21-79, 11:41

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 2:00, September 21, 1979.

There were no objections to the Interim Investigative Report at the time of the deadline.

60040303409

September 17, 1979

In the Matter of
Jeffrey Bell

MR 653(79)

INTERIM INVESTIGATIVE REPORT

The Commission subpoena and order of August 14, 1979 was served on respondent Jeffrey Bell on August 30, 1979. On September 4, 1979 the Office of General Counsel received a request from counsel for the respondent for an extension of time (ten days) within which to respond to the Commission's interrogatories and requests for production of documents until September 20, 1979. The Office of General Counsel granted respondent the requested extension.

We are presently awaiting respondent's response and will report further to the Commission upon its receipt.

Date

21 Sept 1979

William C. Gidaker
General Counsel

Attachments

30040203411

Paul G. Lawrence, Director
918 Pennsylvania Street, N.W.
10th Floor
Washington, D.C. 20004

Re: MEM 659(78)

Dear Mr. Eschner:

This is to acknowledge receipt of your letter dated September 4, 1978 in which you requested an extension of time to September 20, 1978 within which to respond to the Commission finding of reason to believe that Mr. Jeffrey Bell violated 2 U.S.C. § 441a(f) and to comply with the Commission's order and subpoena for Mr. Bell to answer interrogatories propounded and produce documents requested. Your request is granted.

We expect that you will forward your client's response to the interrogatories and requests for production of documents to us by that date so that the Commission might fully understand your client's position prior to its consideration of any further action with respect to this matter.

If at that time we are not in receipt of the above mentioned information, the Commission may be forced to seek enforcement of its subpoena and order in the United States District Court of the District of Columbia pursuant to 2 U.S.C. § 437d(b).

Sincerely yours,


William C. Oldaker
General Counsel



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

Re: MUR 659(78)

Dear Mr. Oldaker:

This letter is in response to yours of August 23, 1979 to Jeffrey Bell regarding the above-numbered MUR. Although your letter was dated August 23, it was not received by Mr. Bell's assistant until late August 30.

On behalf of Mr. Bell, I hereby request an extension to respond to your letter to September 20, 1979. Mr. Bell is out of the country and will not return until September 10. Further, John Ward, Esq. of the firm of Baskin & Sears, who is also representing Mr. Bell is out of town until September 10. Therefore, we will need at least 10 days from September 10 to be able to respond to your letter where the FEC allegedly found reason to believe that Mr. Bell violated 2 U.S.C. 441a(f).

For the above same reasons, we request that the return date on the Order And Subpoena that accompanied your letter be changed until September 20, 1979. Pursuant to 11 C.F.R. 111.13, I have attached to this letter a motion to that effect. Of course, these requests for an extension of time are made without prejudice to Mr. Bell's right to raise any and all objections to the Order and Subpoena and your "reason to believe" letter.

Please address all correspondence in this matter to me at the above address as well as to Mr. John Ward, Esq., Baskin & Sears, 818 Connecticut Avenue, N.W., Washington, D.C. 20006.

Very truly yours,

Paul D. Kamenar
Paul D. Kamenar

encl

00040203413

Jeffrey Bell ; MSB 444(78)

NOTICE TO COMPLY TO THE RETURN DATE
BY ORDER AND SUBPOENA DATED AUGUST 23, 1979

Respondent, Jeffrey Bell, through his undersigned
counsel, hereby requests that the return date of the ORDER
AND SUBPOENA be extended to and including September 20, 1979,
for the following reasons:

1. On or about August 30, 1979, Jeffrey Bell's assistant received a copy of the Federal Election Commission's ORDER AND SUBPOENA signed by Robert O. Tiernan, Chairman, and dated August 23, 1979.
2. The ORDER AND SUBPOENA is accompanied by a notice indicating that the return date of the ORDER AND SUBPOENA is 10 days from its receipt, which would be in this case September 10, 1979.
3. Jeffrey Bell is out of the country and will not return until September 10, 1979. Further co-counsel John Ward, Esq. is out of town and will not return until September 10, 1979.
4. WHEREFORE, Respondent requests that the 10-day period begin to run from September 10, 1979, and that his response to the ORDER AND SUBPOENA may be filed on September 20, 1979.

30040203414

Respectfully request

John Ward

JOHN WARD, ESQ.
LOREN SMITH, ESQ.
Baskin & Sears
818 Connecticut Avenue, N.W.
Washington, D.C.

Paul D. Kamenar

PAUL D. KAMENAR, ESQ.
910 - 17th Street, S.W.
10th Floor
Washington, D.C. 20006
202- 223-3148

DATED: SEPTEMBER 4, 1977

00040203415

September 20, 1979

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

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

RE: MUR 659 (78)

Dear Mr. Oldaker:

This letter is in response to your letter and attached order and subpoena sent to Mr. Jeffrey Bell, dated August 23, 1979. It is my understanding that you have received a letter from Mr. Paul Kamenar requesting that the return date of the order and subpoena be changed to September 20, 1979 and that such request has been granted (copies of letters attached.)

We will be counsel to Mr. Bell in this proceeding, as we have been since we received your initial inquiry into this matter on or about August 10, 1978. We would appreciate all correspondence in this matter sent to us at the above address.

After a careful review of the interrogatories and the request to produce documents, we can only conclude that this MUR proceeding is inexorably intertwined with the litigation that is currently proceeding in the United States District Court for the District of Columbia, F.E.C. v. Marjorie Bell, et al., Civil Action No. 79-1891. Accordingly, we hereby request the Commission to stay all activity being conducted in connection with this MUR proceeding pending the outcome of the above cited law suit.

30040203416

Mr. William Oldaker
General Counsel
Federal Election Commission
September 20, 1979
Page Two

We must mention at this point how puzzled and indeed shocked we were to have received your August 23rd letter. You must certainly be aware of the fact that we have had a series of complaints which we have lodged with your office regarding the rather bizarre manner in which the Commission has handled this matter to date. Rather than recalling the specific complaints at this point, sufficed to say that for over a year the Commission has had before it the matter of MUR 659 (78), stemming from the campaign of Jeffrey Bell for the United States Senate seat from New Jersey. During that time interval, the Commission has sued Marjorie Bell, the widowed mother of Jeffrey Bell, the Bell for Senate Committee, the Treasurer of the aforementioned committee and the Assistant Treasurer of the aforementioned committee. Now, we receive your letter indicating that the Commission, presumably after due and careful deliberation, has found reason to believe that Jeffrey Bell may have violated §441a(f) of the Federal Election Campaign Act of 1971, as amended.

Admittedly, there may circumstances where the above sequence of events would fairly be judged the normal course of action. We do not accept the fact, though, that this is such a circumstance. It would be presumptuous on our part to speculate as to why it was left to this late date for the Commission to return a finding of "reason to believe" against Mr. Bell. However, given the status of the pending litigation, it is essential that the Commission stay all further activity in this MUR.

To begin with, it is not unfair to say that if the Commission, in its wisdom, has waited this long to act against Mr. Bell, they can wait still longer for a judicial determination of this issue, which is central to the apparent violation which the Commission has found he may have committed. More important, the integrity of the judicial process and the First Amendment rights of Mr. Bell demand that all Commission proceedings against him cease until the underlying issue regarding the legality of the contributions in question is resolved. No public interest can possibly be served by continuing this inquiry of Mr. Bell until the underlying legal issue is settled. If Mrs. Bell prevails

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Mr. William Oldaker
General Counsel
Federal Election Commission
September 30, 1979
Page Three

in the aforementioned case, there can be no further action against her son. Accordingly, there should be no reason for him to expend time, energy and money to pursue this inquiry. If Mrs. Bell does not prevail, there can be no detriment to the public interest, given the already inordinate delay in enforcement which has heretofore transpired.

In fact, the public interest can only suffer if a stay is not granted. While we are not making this charge at this time, one cannot ignore the position in which the Commission has placed our clients. For some seemingly inexplicable reason, you are suing the mother of the candidate before you have found any reason to believe the candidate violated the law. Now, Jeffrey Bell is faced with an order and subpoena, which if answered will presumably lead to a conciliation proceeding that can only be tainted by the prospect of his mother being some sort of legal hostage in the pending lawsuit. This on top of the fact that, in our view, the Commission is dangerously close to violating, if indeed it has not already violated, the First Amendment rights of Jeffrey Bell. For well over one year this matter has been pending before the Commission, with all the "chilling" aspects inherent in such a proceeding upon a political figure such as Mr. Bell. For the Commission to make a "reason to believe" finding now, at this late date and after proceeding with the aforementioned lawsuit, treads severely upon the civil rights of our client. If a stay under these circumstances is not granted, we can only conclude that such activity is intentional on the part of the Commission and act accordingly.

Given all of the above, we require that the Commission decide this request no later than Friday, September 28, 1979. If we have not heard from your office as of 3:00 pm that date, we will conclude that you have denied this request.

Sincerely,

John S. Ward
John S. Ward

JSW:mr
Enclosures

cc: Mr. Robert Tiernan
Mr. Max Friedersdorf
Ms. Patricia Bak

00040203418

CERTIFIED MAIL
RETURN RECEIPT

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1125 K Street, N.W.
Washington, D.C. 20006

Re: MUR 653(79)

Dear Mr. Oldaker:

This letter is in response to yours of August 23, 1979 to Jeffrey Bell regarding the above-numbered MUR. Although your letter was dated August 23, it was not received by Mr. Bell's assistant until late August 30.

On behalf of Mr. Bell, I hereby request an extension to respond to your letter to September 20, 1979. Mr. Bell is out of the country and will not return until September 10. Further, John Ward, Esq. of the firm of Baskin & Sears, who is also representing Mr. Bell is out of town until September 10. Therefore, we will need at least 10 days from September 10 to be able to respond to your letter where the FEC allegedly found reason to believe that Mr. Bell violated 2 U.S.C. 441a(f).

For the above same reasons, we request that the return date on the Order And Subpoena that accompanied your letter be changed until September 20, 1979. Pursuant to 11 C.F.R. 111.13, I have attached to this letter a motion to that effect. Of course, these requests for an extension of time are made without prejudice to Mr. Bell's right to raise any and all objections to the Order and Subpoena and your "reason to believe" letter.

Please address all correspondence in this matter to me at the above address as well as to Mr. John Ward, Esq., Baskin & Sears, 818 Connecticut Avenue, N.W., Washington, D.C. 20006.

Very truly yours,

pd
Paul D. Kamenar

encl

Respondent, Jeffrey Bell, through his
counsel, hereby requests that the return date of the ORDER
AND SUBPOENA be extended to and including September 20, 1979,
for the following reasons:

1. On or about August 30, 1979, Jeffrey Bell's assistant
received a copy of the Federal Election Commission's ORDER
AND SUBPOENA signed by Robert O. Tiernan, Chairman, and dated
August 23, 1979.

2. The ORDER AND SUBPOENA is accompanied by a notice
indicating that the return date of the ORDER AND SUBPOENA
is 10 days from its receipt, which would be in this case September
10, 1979.

3. Jeffrey Bell is out of the country and will not return
until September 10, 1979. Further co-counsel John Ward, Esq.
is out of town and will not return until September 10, 1979.

4. WHEREFORE, Respondent requests that the 10-day period
begin to run from September 10, 1979, and that his response to
the ORDER AND SUBPOENA may be filed on September 20, 1979.

PAUL D. JAMES
1700 SWING
Mackin & Sears
RIS Connections
Washington, D.C.

Paul D. James
PAUL D. JAMES
910 - 17th Street
10th Floor
Washington, D.C. 20036
202-223-3148

DATED: SEPTEMBER 4, 1979

80040203431

BASKIN & SEARS
ATTORNEYS AND COUNSELLORS AT LAW
818 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20006

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RECEIVED
FEDERAL ELECTION
COMMISSION

'79 SEP 20 PM 4:23

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

Mr. William
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20543

RE: MUR 152 (78)

Dear Mr. Oldaker:

This letter is in response to your letter and attached order and subpoena sent to Mr. Jeffrey Bell, dated August 23, 1979. It is my understanding that you have received a letter from Mr. Paul Kamenar requesting that the return date of the order and subpoena be changed to September 20, 1979 and that such request has been granted (copies of letters attached.)

We will be counsel to Mr. Bell in this proceeding, as we have been since we received your initial inquiry into this matter on or about August 10, 1978. We would appreciate all correspondence in this matter sent to us at the above address.

After a careful review of the interrogatories and the request to produce documents, we can only conclude that this MUR proceeding is inexorably intertwined with the litigation that is currently proceeding in the United States District Court for the District of Columbia, F.E.C. v. Marjorie Bell, et al., Civil Action No. 79-1891. Accordingly, we hereby request the Commission to stay all activity being conducted in connection with this MUR proceeding pending the outcome of the above cited law suit.

in the aforementioned case, there should be a stay against her son. Accordingly, there should be for his to spend time, energy and money to pursue inquiry. If Mrs. Bell does not believe that it is detrimental to the public interest, given the already delay in enforcement which has heretofore transpired.

In fact, the public interest can only be served if a stay is not granted. While we are not making any claim at this time, one cannot ignore the position in which the Commission has placed our clients. For some applicable reason, you are suing the mother of the child before you have found any reason to believe the child violated the law. Now, Jeffrey Bell is faced with an subpoena, which if answered will presumably lead to a conciliation proceeding that can only be tainted by the prospect of his mother being some sort of legal hostage in the pending lawsuit. This on top of the fact that, in our view, the Commission is dangerously close to violating, if indeed it has not already violated, the First Amendment rights of Jeffrey Bell. For well over one year this matter has been pending before the Commission, with all the "chilling" aspects inherent in such a proceeding upon a political figure such as Mr. Bell. For the Commission to make a "reason to believe" finding now, at this late date and after proceeding with the mentioned lawsuit, can only conclude of the Commission

the Commission
ember 28, 1979.
00 pm that date,
est.

Handwritten:
no stay
to
conclude

Administrative stamp with checkboxes and fields, partially obscured by handwritten notes and a paperclip.

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20004

Dear Mr. Oldaker:

This letter is in response to yours of August 23, 1979 to Jeffrey Bell regarding the above-numbered MUR. Although your letter was dated August 23, it was not received by Mr. Bell's assistant until late August 30.

On behalf of Mr. Bell, I hereby request an extension to respond to your letter to September 20, 1979. Mr. Bell is out of the country and will not return until September 10. Further, John Ward, Esq. of the firm of Baskin & Sears, who is also representing Mr. Bell is out of town until September 10. Therefore, we will need at least 10 days from September 10 to be able to respond to your letter where the FEC allegedly found reason to believe that Mr. Bell violated 2 U.S.C. 441a(1).

For the above same reasons, we request that the return date on the Order And Subpoena that accompanied your letter be changed until September 20, 1979. Pursuant to 11 C.F.R. 111.13, I have attached to this letter a motion to that effect. Of course, these requests for an extension of time are made without prejudice to Mr. Bell's right to raise any and all objections to the Order and Subpoena and your "reason to believe" letter.

Please address all correspondence in this matter to me at the above address as well as to Mr. John Ward, Esq., Baskin & Sears, 818 Connecticut Avenue, N.W., Washington, D.C. 20006.

Very truly yours,


Paul D. Kamenar

encl

Respondent, Jeffrey Bell, through his counsel, hereby requests that the return date on the ORDER AND SUBPOENA be extended to and including September 20, 1979, for the following reasons:

1. On or about August 30, 1979, Jeffrey Bell's assistant received a copy of the Federal Election Commission's ORDER AND SUBPOENA signed by Robert O. Tiernan, Chairman, and dated August 23, 1979.

2. The ORDER AND SUBPOENA is accompanied by a notice indicating that the return date of the ORDER AND SUBPOENA is 10 days from its receipt, which would be in this case September 10, 1979.

3. Jeffrey Bell is out of the country and will not return until September 10, 1979. Further co-counsel John Ward, Esq. is out of town and will not return until September 10, 1979.

4. WHEREFORE, Respondent requests that the 10-day period begin to run from September 10, 1979, and that his response to the ORDER AND SUBPOENA may be filed on September 20, 1979.

[Handwritten Signature]
PAUL D. [unclear]
310 - 17th Street, N.W.
10th Floor
Washington, D.C. 20036
202-223-3148

DATED: SEPTEMBER 4, 1973

60040203428

BASKIN & SEARS
ATTORNEYS AND COUNSELLORS AT LAW
1325 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20006

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RECEIVED
FEDERAL ELECTION
COMMISSION

'79 SEP 20 PM 4:23

Mr. Max Friedersdorf
Vice Chairman
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

30040203430

Mr. William Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20545

RE: MUR 459 (78)

Dear Mr. Oldaker:

This letter is in response to your letter and attached order and subpoena sent to Mr. Jeffrey Bell, dated August 23, 1979. It is my understanding that you have received a letter from Mr. Paul Kaesner requesting that the return date of the order and subpoena be changed to September 30, 1979 and that such request has been granted (copies of letters attached.)

We will be counsel to Mr. Bell in this proceeding, as we have been since we received your initial inquiry into this matter on or about August 10, 1978. We would appreciate all correspondence in this matter sent to us at the above address.

After a careful review of the interrogatories and the request to produce documents, we can only conclude that this MUR proceeding is inexorably intertwined with the litigation that is currently proceeding in the United States District Court for the District of Columbia, F.E.C. v. Marjorie Bell, et al., Civil Action No. 79-1891. Accordingly, we hereby request the Commission to stay all activity being conducted in connection with this MUR proceeding pending the outcome of the above cited law suit.

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We must mention at this point how puzzled and shocked we were to have received your August 23rd letter. You must certainly be aware of the fact that we have had a series of complaints which we have lodged with your office regarding the rather bizarre manner in which the Commission has handled this matter to date. Rather than recalling the specific complaints at this point, we prefer to say that for over a year the Commission has had before it the matter of MUR 534 (75), stemming from the campaign of Jeffrey Bell for the United States Senate seat from New Jersey. During that time interval, the Commission has sued Marjorie Bell, the widowed mother of Jeffrey Bell, the Bell for Senate Committee, the Treasurer of the aforementioned committee and the Assistant Treasurer of the aforementioned committee. Now, we receive your letter indicating that the Commission, presumably after due and careful deliberation, has found reason to believe that Jeffrey Bell may have violated §441a(f) of the Federal Election Campaign Act of 1971, as amended.

Admittedly, there may be circumstances where the above sequence of events would fairly be judged the normal course of action. We do not accept the fact, though, that this is such a circumstance. It would be presumptuous on our part to speculate as to why it was left to this late date for the Commission to return a finding of "reason to believe" against Mr. Bell. However, given the status of the pending litigation, it is essential that the Commission stay all further activity in this MUR.

To begin with, it is not unfair to say that if the Commission, in its wisdom, has waited this long to act against Mr. Bell, they can wait still longer for a judicial determination of this issue, which is central to the apparent violation which the Commission has found he may have committed. More important, the integrity of the judicial process and the First Amendment rights of Mr. Bell demand that all Commission proceedings against him cease until the underlying issue regarding the legality of the contributions in question is resolved. No public interest can possibly be served by continuing this inquiry of Mr. Bell until the underlying legal issue is settled. If Mrs. Bell prevails

in the aforementioned case, there can be no further delay against her son. Accordingly, there should be no further delay for him to expend time, energy and money to pursue this inquiry. If Mrs. Bell does not prevail, there can be no detriment to the public interest, given the already substantial delay in enforcement which has heretofore transpired.

In fact, the public interest can only suffer if a stay is not granted. While we are not making this charge at this time, one cannot ignore the position in which the Commission has placed our clients. For some seemingly inexplicable reason, you are suing the mother of the candidate before you have found any reason to believe the candidate violated the law. Now, Jeffrey Bell is faced with an order and subpoena, which if answered will presumably lead to a conciliation proceeding that can only be tainted by the prospect of his mother being some sort of legal hostage in the pending lawsuit. This on top of the fact that, in our view, the Commission is dangerously close to violating, if indeed it has not already violated, the First Amendment rights of Jeffrey Bell. For well over one year this matter has been pending before the Commission, with all the "chilling" aspects inherent in such a proceeding upon a political figure such as Mr. Bell. For the Commission to make a "reason to believe" finding now, at this late date and after proceeding with the aforementioned lawsuit, treads severely upon the civil rights of our client. If a stay under these circumstances is not granted, we can only conclude that such activity is intentional on the part of the Commission and act accordingly.

Given all of the above, we require that the Commission decide this request no later than Friday, September 28, 1979. If we have not heard from your office as of 3:00 pm that date, we will conclude that you have denied this request.

Sincerely,

John S. Ward
John S. Ward

JSW:mr
Enclosures

cc: Mr. Robert Tiernan
Mr. Max Friedersdorf
Ms. Patricia Bak

000403452

CERTIFIED MAIL
RETURN RECEIPT

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20004

Reg. MUR 839(78)

Dear Mr. Oldaker:

This letter is in response to yours of August 23, 1979 to Jeffrey Bell regarding the above-numbered MUR. Although your letter was dated August 23, it was not received by Mr. Bell's assistant until late August 30.

On behalf of Mr. Bell, I hereby request an extension to respond to your letter to September 20, 1979. Mr. Bell is out of the country and will not return until September 10. Further, John Ward, Esq. of the firm of Baskin & Sears, who is also representing Mr. Bell is out of town until September 10. Therefore, we will need at least 10 days from September 10 to be able to respond to your letter where the FEC allegedly found reason to believe that Mr. Bell violated 2 U.S.C. 441a(f).

For the above same reasons, we request that the return date on the Order And Subpoena that accompanied your letter be changed until September 20, 1979. Pursuant to 11 C.F.R. 111.13, I have attached to this letter a motion to that effect. Of course, these requests for an extension of time are made without prejudice to Mr. Bell's right to raise any and all objections to the Order and Subpoena and your "reason to believe" letter.

Please address all correspondence in this matter to me at the above address as well as to Mr. John Ward, Esq., Baskin & Sears, 818 Connecticut Avenue, N.W., Washington, D.C. 20006.

Very truly yours,


Paul D. Kamenar

encl

NOTICE TO COMPLY WITH THE RETURN DATE
OF ORDER AND SUBPOENA DATED AUGUST 23, 1979

Respondent, Jeffrey Bell, through his
counsel, hereby requests that the return date of the ORDER
AND SUBPOENA be extended to and including September 20, 1979,
for the following reasons:

1. On or about August 30, 1979, Jeffrey Bell's assistant received a copy of the Federal Election Commission's ORDER AND SUBPOENA signed by Robert O. Tiernan, Chairman, and dated August 23, 1979.
2. The ORDER AND SUBPOENA is accompanied by a notice indicating that the return date of the ORDER AND SUBPOENA is 10 days from its receipt, which would be in this case September 10, 1979.
3. Jeffrey Bell is out of the country and will not return until September 10, 1979. Further co-counsel John Ward, Esq. is out of town and will not return until September 10, 1979.
4. WHEREFORE, Respondent requests that the 10-day period begin to run from September 10, 1979, and that his response to the ORDER AND SUBPOENA may be filed on September 20, 1979.

600 40203439
Mackin & Starr
618 Connecticut
Washington, D.C.

Paul D. Kamen
PAUL D. KAMEN, Esq.
910 - 17th Street, N.W.
10th Floor
Washington, D.C. 20005
202-223-3148

DATE: SEPTEMBER 4, 1975

General Counsel
Federal Election Commission
1775 K Street, N.W.
Washington, D.C. 20543

RE: MUR 537 (78)

Dear Mr. Oldaker:

This letter is in response to your letter and attached order and subpoena sent to Mr. Jeffrey Bell, dated August 23, 1979. It is my understanding that you have received a letter from Mr. Paul Kamenar requesting that the return date of the order and subpoena be changed to September 20, 1979 and that such request has been granted (copies of letters attached.)

We will be counsel to Mr. Bell in this proceeding, as we have been since we received your initial inquiry into this matter on or about August 10, 1978. We would appreciate all correspondence in this matter sent to us at the above address.

After a careful review of the interrogatories and the request to produce documents, we can only conclude that this MUR proceeding is inexorably intertwined with the litigation that is currently proceeding in the United States District Court for the District of Columbia, F.R.C. v. Marjorie Bell, et al., Civil Action No. 79-1891. Accordingly, we hereby request the Commission to stay all activity being conducted in connection with this MUR proceeding pending the outcome of the above cited law suit.

Mr. William J. ...
Federal Election Commission
September 10, 1972
Page Two

We must mention at this point how puzzled and shocked we were to have received your August 13rd letter. You must certainly be aware of the fact that we have received a series of complaints which we have lodged with your office regarding the rather bizarre manner in which the Commission has handled this matter to date. Rather than recalling the specific complaints at this point, we prefer to say that for over a year the Commission has had before it the matter of MUR 459 (78), stemming from the campaign of Jeffrey Bell for the United States Senate seat from New Jersey. During that time interval, the Commission has sued Marjorie Bell, the widowed mother of Jeffrey Bell, the Bell for Senate Committee, the Treasurer of the aforementioned committee and the Assistant Treasurer of the aforementioned committee. Now, we receive your letter indicating that the Commission, presumably after due and careful deliberation, has found reason to believe that Jeffrey Bell may have violated §441a(f) of the Federal Election Campaign Act of 1971, as amended.

Admittedly, there may be circumstances where the above sequence of events would fairly be judged the normal course of action. We do not accept the fact, though, that this is such a circumstance. It would be presumptuous on our part to speculate as to why it was left to this late date for the Commission to return a finding of "reason to believe" against Mr. Bell. However, given the status of the pending litigation, it is essential that the Commission stay all further activity in this MUR.

To begin with, it is not unfair to say that if the Commission, in its wisdom, has waited this long to act against Mr. Bell, they can wait still longer for a judicial determination of this issue, which is central to the apparent violation which the Commission has found he may have committed. More important, the integrity of the judicial process and the First Amendment rights of Mr. Bell demand that all Commission proceedings against him cease until the underlying issue regarding the legality of the contributions in question is resolved. No public interest can possibly be served by continuing this inquiry of Mr. Bell until the underlying legal issue is settled. If Mrs. Bell prevails

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In the aforementioned case, there can be no further action against her son. Accordingly, there should be no reason for him to expend time, energy and money to pursue such inquiry. If Mr. Bell does not prevail, there can be no detriment to the public interest, given the already significant delay in enforcement which has heretofore transpired.

In fact, the public interest can only suffer if a stay is not granted. While we are not making this charge at this time, one cannot ignore the position in which the Commission has placed our clients. For some seemingly inexplicable reason, you are suing the mother of the candidate before you have found any reason to believe the candidate violated the law. Now, Jeffrey Bell is faced with an order and subpoena, which if answered will presumably lead to a conciliation proceeding that can only be tainted by the prospect of his mother being some sort of legal hostage in the pending lawsuit. This on top of the fact that, in our view, the Commission is dangerously close to violating, if indeed it has not already violated, the First Amendment rights of Jeffrey Bell. For well over one year this matter has been pending before the Commission, with all the "chilling" aspects inherent in such a proceeding upon a political figure such as Mr. Bell. For the Commission to make a "reason to believe" finding now, at this late date and after proceeding with the aforementioned lawsuit, treads severely upon the civil rights of our client. If a stay under these circumstances is not granted, we can only conclude that such activity is intentional on the part of the Commission and act accordingly.

Given all of the above, we require that the Commission decide this request no later than Friday, September 28, 1979. If we have not heard from your office as of 3:00 pm that date, we will conclude that you have denied this request.

Sincerely,

John S. Ward

John S. Ward

JSW:mr

Enclosures

cc: Mr. Robert Tiernan
Mr. Max Friedersdorf
Ms. Patricia Bak

30040303430

CERTIFIED MAIL
RETURN RECEIPT

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20004

RE: MUR 8547(8)

Dear Mr. Oldaker:

This letter is in response to yours of August 23, 1979 to Jeffrey Bell regarding the above-numbered MUR. Although your letter was dated August 23, it was not received by Mr. Bell's assistant until late August 30.

On behalf of Mr. Bell, I hereby request an extension to respond to your letter to September 20, 1979. Mr. Bell is out of the country and will not return until September 10. Further, John Ward, Esq. of the firm of Baskin & Sears, who is also representing Mr. Bell is out of town until September 10. Therefore, we will need at least 10 days from September 10 to be able to respond to your letter where the FEC allegedly found reason to believe that Mr. Bell violated 2 U.S.C. 441a(f).

For the above same reasons, we request that the return date on the Order And Subpoena that accompanied your letter be changed until September 20, 1979. Pursuant to 11 C.F.R. 111.13, I have attached to this letter a motion to that effect. Of course, these requests for an extension of time are made without prejudice to Mr. Bell's right to raise any and all objections to the Order and Subpoena and your "reason to believe" letter.

Please address all correspondence in this matter to me at the above address as well as to Mr. John Ward, Esq., Baskin & Sears, 818 Connecticut Avenue, N.W., Washington, D.C. 20006.

Very truly yours,


Paul D. Kamenar

encl

Respondent, Jeffrey Bell, Esq.,
counsel, hereby requests that the return date of the ORDER
AND SUBPOENA be extended to and including September 20, 1979,
for the following reasons:

1. On or about August 30, 1979, Jeffrey Bell's assistant received a copy of the Federal Election Commission's ORDER AND SUBPOENA signed by Robert O. Tiernan, Chairman, and dated August 23, 1979.
2. The ORDER AND SUBPOENA is accompanied by a notice indicating that the return date of the ORDER AND SUBPOENA is 10 days from its receipt, which would be in this case September 10, 1979.
3. Jeffrey Bell is out of the country and will not return until September 10, 1979. Further co-counsel John Ward, Esq. is out of town and will not return until September 10, 1979.
4. WHEREFORE, Respondent requests that the 10-day period begin to run from September 10, 1979, and that his response to the ORDER AND SUBPOENA may be filed on September 20, 1979.

SMITH,
Karl & Sons
518 Connecticut
Washington, D.C.


PAUL D. KANE
910 - 17th Street,
10th Floor
Washington, D.C. 20004
202-223-3148

DATE: SEPTEMBER 4, 1978

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BASKIN & SEARS
ATTORNEYS AND COUNSELLORS AT LAW
818 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20006

RECEIVED
OFFICE OF THE
COMMISSIONER

SEP 20 11 P 4: 49

RECEIVED
FEDERAL ELECTION
COMMISSION

SEP 20 11 4 23

Robert Tiernan
Chairman
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20543



FEDERAL ELECTION COMMISSION

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

September 1979

Paul D. Kamenar, Esquire
310 Seventeenth Street, N.W.
10th Floor
Washington, D.C. 20006

Re: MUR 659 (79)

Dear Mr. Kamenar:

This is to acknowledge receipt of your letter dated September 4, 1979 in which you requested an extension of time to September 20, 1979 within which to respond to the Commission finding of reason to believe that Mr. Jeffrey Bell violated 2 U.S.C. § 441a(f) and to comply with the Commission's order and subpoena for Mr. Bell to answer interrogatories propounded and produce documents requested. Your request is granted.

We expect that you will forward your client's response to the interrogatories and requests for production of documents to us by that date so that the Commission might fully understand your client's position prior to its consideration of any further action with respect to this matter.

If at that time we are not in receipt of the above mentioned information, the Commission may be forced to seek enforcement of its subpoena and order in the United States District Court of the District of Columbia pursuant to 2 U.S.C. § 437d(b).

Sincerely yours,

William C. Oldaker
General Counsel



159 642

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

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:
Paul D Kamenar

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>943877</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

✓ P. Elgall

4. DATE OF DELIVERY: *9/13/79* POSTMARK

5. ADDRESS (Complete city if requested):
*910 17 ST. N.W. #1000
WASH. D.C. 20006*

6. UNABLE TO DELIVER BECAUSE: *B* CLERK'S INITIALS

★ U.S. POST OFFICE

30040203445

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20543

Re: MUR 659(79)

Dear Mr. Oldaker:

This letter is in response to yours of August 23, 1979 to Jeffrey Bell regarding the above-numbered MUR. Although your letter was dated August 23, it was not received by Mr. Bell's assistant until late August 30.

On behalf of Mr. Bell, I hereby request an extension to respond to your letter to September 20, 1979. Mr. Bell is out of the country and will not return until September 10. Further, John Ward, Esq. of the firm of Baskin & Sears, who is also representing Mr. Bell is out of town until September 10. Therefore, we will need at least 10 days from September 10 to be able to respond to your letter where the FEC allegedly found reason to believe that Mr. Bell violated 2 U.S.C. 441a(f).

For the above same reasons, we request that the return date on the Order And Subpoena that accompanied your letter be changed until September 20, 1979. Pursuant to 11 C.F.R. 111.13, I have attached to this letter a motion to that effect. Of course, these requests for an extension of time are made without prejudice to Mr. Bell's right to raise any and all objections to the Order and Subpoena and your "reason to believe" letter.

Please address all correspondence in this matter to me at the above address as well as to Mr. John Ward, Esq., Baskin & Sears, 818 Connecticut Avenue, N.W., Washington, D.C. 20006.

Very truly yours,
[Signature]
Gail D. [Name]

encl

FEDERAL ELECTION COMMISSION
NOTICE TO CHANGE TO THE RETURN DATE
OF ORDER AND SUBPOENA DATED AUGUST 23, 1979

Respondent, Jeffrey Bell, through his undersigned
counsel, hereby requests that the return date of the ORDER
AND SUBPOENA be extended to and including September 20, 1979,
for the following reasons:

1. On or about August 30, 1979, Jeffrey Bell's assistant received a copy of the Federal Election Commission's ORDER AND SUBPOENA signed by Robert O. Tiernan, Chairman, and dated August 23, 1979.
2. The ORDER AND SUBPOENA is accompanied by a notice indicating that the return date of the ORDER AND SUBPOENA is 10 days from its receipt, which would be in this case September 10, 1979.
3. Jeffrey Bell is out of the country and will not return until September 10, 1979. Further co-counsel John Ward, Esq. is out of town and will not return until September 10, 1979.
4. WHEREFORE, Respondent requests that the 10-day period begin to run from September 10, 1979, and that his response to the ORDER AND SUBPOENA may be filed on September 20, 1979.

00040303446

Respectfully request


JOHN WARD, ESQ.
LOREN SMITH, ESQ.
Haskin & Sears
818 Connecticut Avenue, N.W.
Washington, D.C. 20004


PAUL D. KANER, ESQ.
910 - 17th Street, N.W.
10th Floor
Washington, D.C. 20006
202- 223-3148

DATED: SEPTEMBER 4, 1979

80040203447

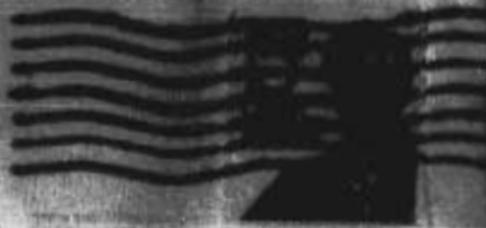
80040203448

LAW OFFICES

PAUL DOUGLAS KAMENAR
910 SEVENTEENTH STREET, N.W.
10TH FLOOR
WASHINGTON, D.C. 20006



AMERICAN AIR MAIL



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

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMONS *MJE*
DATE: AUGUST 23, 1979
SUBJECT: ORDER IN RELATION TO MUR 659

The attached order, approved on August 14, 1979 by a vote of 6-0, has been signed and sealed this date.

80040203449

ATTACHMENT:
Order - J. Bell

CERTIFIED MAIL
RETURN RECEIPT REQUEST

Mr. Jeffrey Bell
640 West State Street
Tranton, New Jersey 08610

Re: MUR 658(78)

Dear Mr. Bell:

Based on information ascertained in the normal course of carrying out its investigatory responsibilities, the Federal Election Commission has found reason to believe you violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that you may have violated § 441a(f) by knowingly accepting contributions from Marjorie Bell made in violation of 2 U.S.C. § 441a.

Under 11 C.F.R. § 110.10 unless you had legal right of access to, or control over, the funds used to make the loans in question at the time you became a candidate, such loans would be considered as contributions to the Bell Committee by Mrs. Marjorie Bell. In making contributions of \$52,400 Mrs. Marjorie Bell violated both the \$1,000 limitation of 2 U.S.C. § 441a(a)(1)(A) and the \$25,000 limitation of 2 U.S.C. § 441a(a)(3). 2 U.S.C. § 441a(f) prohibits a candidate from knowingly accepting contributions in violation of 2 U.S.C. § 441a.

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



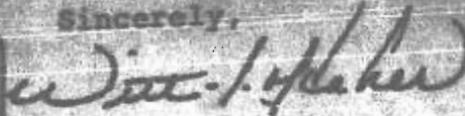
The Commission is under duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Patricia P. Hax, the staff member assigned to this matter, at (202) 523-4639.

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

MAILING LABEL

1. ARTICLE ADDRESS TO:
JEFFREY BELL

2. ARTICLE DESCRIPTION:
CERTIFIED NO. IDENTIFIED NO. INSURED NO.

3. DATE OF DELIVERY: 8-30-77

4. ADDRESS (complete only if requested)

5. UNABLE TO DELIVER BECAUSE

MUR 659(7)

U.S. MAIL
NEW YORK, NY 10017
AUG 30 1977
POSTMARK

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Jeffrey Bell
640 West State Street
Tranton, New Jersey 08610

Re: NUR 659(78)

Dear Mr. Bell:

Based on information ascertained in the normal course of carrying out its investigatory responsibilities, the Federal Election Commission has found reason to believe you violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that you may have violated § 441a(f) by knowingly accepting contributions from Marjorie Bell made in violation of 2 U.S.C. § 441a.

Under 11 C.F.R. § 110.10 unless you had legal right of access to, or control over, the funds used to make the loans in question at the time you became a candidate, such loans would be considered as contributions to the Bell Committee by Mrs. Marjorie Bell. In making contributions of \$52,400 Mrs. Marjorie Bell violated both the \$1,000 limitation of 2 U.S.C. § 441a(a)(1)(A) and the \$25,000 limitation of 2 U.S.C. § 441a(a)(3). 2 U.S.C. § 441a(f) prohibits a candidate from knowingly accepting contributions in violation of 2 U.S.C. § 441a.

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



The Commission is under 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 Patricia F. Bak, the staff member assigned to this matter, at (202) 523-4039.

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

Enclosures

100-103493

Ball for Senate Committee

TO: Mr. Jeffrey Bell
540 West State Street
Tranton, New Jersey 08510

PURSUANT to the authority set forth in section 376(a) of Title 2, United States Code, and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the attached interrogatories and to produce documents referred to and requested in those interrogatories. The answers must be submitted under oath within ten (10) days of your receipt of this Order and Subpoena, to the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, Attention: Office of the General Counsel.

WHEREAS, The Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this, the 23rd day of August, 1979.

Robert O. Tiernan

Robert O. Tiernan
Chairman

ATTEST:

for Margaret E. Chaney
Marjorie W. Emmons
Commission Secretary

JEFFERY HELL

ORIGIN AND EXTENSION

NOV 1978

Please answer the following interrogatories and produce all documents referred to herein for inspection by the Commission:

1. State the date on which you first became a candidate for the Federal office of United States Senate for the State of New Jersey for the 1978 election?

2. Identify all financial institutions at which you have maintained any account in your name or at which there exist accounts to which you have had legal access at any time since you became a candidate for the United States Senate from New Jersey for the 1978 election.

3. With regard to each financial institution identified in response to interrogatory number 2, identify all accounts in your name or to which you have a legal right of access, and as to each such account which is not in your name but to which you have a legal right of access, describe specifically what sort of right of access you have and upon what this legal right is based. Produce all documents reflecting this legal right of access.

4. State whether you have made any contributions to the Bell for Senate Committee ("Bell Committee") since the time you became a candidate for the Federal office of United States Senate for the State of New Jersey for the 1978 election.

IN 45 40 34 20 10 04 00 00

Identify all contributions which were reported to the Federal Election Commission ("Commission") as loans made by you to the Bell Committee, describing each loan by amount, date, and manner of payment. "Manner of payment" for purposes of this question is defined as including, but not limited to, indicating whether each loan payment was made by check, cash, or money order.

- a. With respect to each loan identified in response to interrogatory number 6, identify the financial institution and account from which each loan was drawn.
- b. With respect to each account identified in response to interrogatory number 5a describe by date, amount, source of assets deposited, and manner of deposit, all deposits made into each account since the time you became a candidate for the United States Senate from New Jersey for the 1978 election. Describe "source of assets" for purposes of this question means, indicate whether the assets deposited consisted of your personal earnings, gifts from another, loans from another person or some financial institution, or advancements from another person. If the source of deposits was either a loan from another person or an advancement from another person, identify that person or persons. If the source of the deposit was a loan from a financial institution, identify that financial institution. Describe the manner of deposit", for purposes of this question means, indicate whether the deposit was in the form of cash, money order, check, and if by check, identify the drawer of each check deposited.
- c. With respect to each loan identified in response to interrogatory number 6, produce for copying and inspection, any and all records, receipts, security agreements, notes, or writings reflecting the terms and conditions of each loan or relating to the payment of each loan to the Bell Committee by you. If any such records, receipts, security agreements, notes, or writings reflecting the terms and

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conditions of each loan or related to the loan if such are no longer in existence or are no longer in your possession, explain why such records, receipts, agreements, notes, or writings reflecting the terms and conditions of each loan or relating to the payment of each loan are no longer in existence or are no longer in your possession. Identify the person(s) currently in possession of any such above noted instruments or writings which are no longer in your possession.

d. Identify, with respect to each loan payment identified in response to interrogatory number 6 what person or persons on behalf of the Bell Committee each loan payment was either addressed to and/or delivered to, and received by.

7. Identify each person associated with the Bell Committee with whom you have had any communication regarding each of what were reported to the Commission as loans made by you to the Bell Committee.

8. Identify every oral communication you have had with persons associated with the Bell Committee regarding each or any of the transfers of funds which were reported to the Commission as loans made by you to the Bell Committee.

9. Identify every written communication you have had with persons associated with the Bell Committee regarding each or any of the transfers of funds which were reported to the Commission as loans made by you to the Bell Committee.

10. Identify every telephonic communication you have had with persons associated with the Bell Committee regarding each or any of the transfers of funds which were reported to the Commission as loans made by you to the Bell Committee.

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11. Produce for copying and inspection all original communications identified in response to interrogatory number 9, and if such written communications are no longer in existence or in your possession, explain why such written communications are no longer in existence or in your possession, and if such written communications are no longer in your possession, identify the person(s) who is presently in possession of such written communications.

12. With respect to each communication identified in response to interrogatory number 9 as being oral and with respect to each communication identified in response to interrogatory number 10 as being telephonic, state whether any memos, notes, or any other writings were made reflecting the substance of any such communication and produce for copying and inspection all such writings. If with respect to any of these communications, memos, notes, or other writings reflecting the substance of the communication at one time existed but such notes, memos, or other writing are either no longer in existence or in your possession, explain why such memos, notes, or other writings reflecting the substance of the communication are no longer in existence or in your possession. If such memos, notes, or other writings are no longer in your possession, identify the person who is presently in possession of the above noted writings.

13. State whether your mother, Mrs. Marjorie Bell and/or your late father, Mr. John Bell, made any transfers of personal property assets to you since 1975.

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14. If the answer to interrogatory number 13 is affirmative, identify each such transfer of personal property assets.

15. State whether your mother Mrs. Marjorie Bell, since the date of your attaining candidate status has made any transfers of personal property assets to you.

16. If the answer to interrogatory number 15 is affirmative, identify each transfer of personal property assets made by Marjorie Bell to you from the time you attained candidate status until the present.

17. If in response to interrogatory number 16 any of the transfers of personal property assets consisted of loans, with respect to each loan identified, produce for copying and inspection, any and all records, receipts, security agreements, notes, or any other writings which reflect the terms and conditions of each loan or relate to the payment of each loan made by Marjorie Bell to you. If any such records, receipts, security agreements, notes, or writings reflecting the terms and conditions of each loan or relating to the payment of each loan existed, but are either no longer in existence or are no longer in your possession, explain why such records, receipts, security agreements, notes, or writing reflecting the terms and conditions of each loan or relating to the payments of each loan are no longer in existence or are no longer in your possession. Identify the person(s) currently in possession of any such above noted instruments or writings which are no longer in your possession.

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18. If you have identified any loans, list any transfers of assets which were loans that were made on oral agreement, with respect to each loan identified, identify all persons who were parties to any oral agreement, state the date of each such oral agreement. Identify all persons present at the time each oral agreement was made, describe fully what was said by each and all parties and the terms and conditions of each agreement. If no oral agreements were made, with respect to each of the loans identified, so state.

19. State whether any communications other than those already identified in response to interrogatories number 17 and 18 took place at any time between you and your mother Marjorie Bell, which related in any way to any or all transfers of assets from her to you since you became a candidate for the Federal office of the United States Senate for the State of New Jersey for the 1978 election.

20. If the answer to interrogatory number 19 is affirmative identify all such communications which were oral communications.

21. If the answer to interrogatory number 19 is affirmative, identify all such communications which were written communications.

22. If the answer to interrogatory number 19 is affirmative, identify all such communications which were telephonic communications.

23. Produce for copying and inspection all written communications identified in response to interrogatory number 21, and if such written communications are no longer in existence or in your

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in your possession. If such written communications are no longer in your possession, identify the person(s) who is presently in possession of such written communications.

24. With respect to each communication identified in response to interrogatory number 20 as being oral and with respect to each communication identified in response to interrogatory number 22 as being telephonic, state whether any memos, notes, or any other writings were made reflecting the substance of any such communication and produce for copying and inspection all such writings. If with respect to any of these communications, memos, notes, or other writings reflecting the substance of the communication at one time existed but such notes, memos, or other writings are either no longer in existence or in your possession, explain why such memos, notes or other writings reflecting the substance of the communications are no longer in existence or in your possession. If such memos, notes, or other writings are no longer in your possession, identify the person(s) who is presently in possession of the above noted writings.

25. State whether anyone associated with the Bell Committee ever made any inquiry of you regarding the source of the funds which were reported to the Federal Election Commission as loans from you to the Bell Committee.

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Describe in detail each inquiry you made, identify who made the inquiry, when each inquiry was made, and what if anything you told each person regarding the source of funds which were reported to the Federal Election Commission as loans made by you to the Bell Committee.

24. Produce for copying and inspection all your personal income tax returns for the years, 1976, 1977, 1978, and 1979.

25. Produce for copying and inspection all cancelled checks and/or receipts resulting from contributions made by you to the Bell Committee.

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name, address, phone number, and, if applicable, position held with the Bell for Senate Committee ("Bell Committee"), and the dates for which each position was held.

B. "Account" means any account with a bank and includes a checking, time, interest, or savings account.

C. "Identify" as to account means, describe each account by account number, the name and address of the financial institution at which the account is or was maintained, the name of the account, the type of account, all persons who had legal access and control of each account, the date each account was opened, and, if applicable, the date each account was closed.

D. "Identify" as to the financial institution means, describe each financial institution by name, address, phone number, and by listing, as to each, by name and position with the financial institution, all persons affiliated with each financial institution who aided or assisted on an ongoing basis, Jeffery Bell, Marjorie Bell, or the Bell Committee with his, hers, or its financial interests with that financial institution.

E. "Communication" means any communication whether oral, written or telephonic.

F. "Identify" as to written communication means, describe by author, addressee, date sent, all persons to whom copies were sent, present custodian and/or location or depository and substance of the written communication.

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not limited to the following items: reports printed or repro-
duced by any mechanical process or written or produced by hand,
namely: agreements, internal correspondence of the Bell Commit-
tee, if applicable; correspondence, telegrams, memoranda, records,
summaries or records of meetings; summaries or records of personal
conversations, summaries or records of telephone conversations,
notes, and drafts of any documents.

H. "Identify" as to oral communication means describe by
name, address, phone number, position with the Bell Committee,
if applicable, all parties to the communication. Described by
name, address, phone number, and position with the Bell Committee,
if applicable, all other persons present at the time of each oral
communication and also describe the communication by date, the
location of the parties to the communication at the time of
the communication, and the substance of each communication.

I. "Identify" as to telephonic communication means, de-
scribe each telephone communication by the name, address, phone
number, and position with the Bell Committee, if applicable,
each and all persons participating in the telephonic communi-
cation also stating the date of the communication and describing
the substance of each communication.

J. "Becoming a candidate" or "attaining candidate status"
is defined as having occurred when an individual is a candidate

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for federal office, whether or not elected, and when any of the following events occur:

- (a) The individual has taken the action necessary, under relevant state law to qualify in a primary, runoff, special or general election, convention, or caucus; or
- (b) The individual has received contributions or made expenditures, or has given his or her consent for any other person to receive contributions or make expenditures, with a view toward bringing about his or her election; or
- (c) If after written notification by the Commission that any other person is receiving contributions or making expenditures on the individual's behalf, the individual fails to disavow this activity by letter to the Commission within 30 days of receipt of the notification. See, 11 C.F.R. § 100.2

K. "Contribution" is defined as a gift, subscription, loan, advance, or deposit of money or anything of value, made for the purpose of influencing the nomination for election, or election of any person to federal office;

L. "Loan" is defined to include a guarantee, endorsement, and any other form of security where the risk of non-payment rests with the surety, guarantor, or endorser as well as with a political committee, candidate, or other primary obligor. A loan is a contribution to the extent that the obligation remains outstanding.

M. "Identify" as to transfer of personal property assets means, state for each transfer of personal property assets the following:

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1. The date of transfer.
2. The amount of or value of the assets of each transfer of assets.
3. The type of transfer, including, but not limited to, gift, loan, or advancement.
4. The form of the transfer, including, but not limited to, cash, check, money order, bond, or security.
5. The original source of assets of each transfer of assets, stating specifically as to each transfer whether those assets transferred were the personal assets of Mrs. Marjorie Bell or the assets of the estate of John Bell.
6. The method by which each transfer of assets was transmitted, stating for example whether the assets were transferred by mail, wire, or hand delivery.

N. "Identify" as to contribution means state where applicable the following as to each contribution made and/or received:

1. The date on which the contribution was made to and/or received by the Bell Committee.
2. The amount of the contribution.
3. The type of contribution, including, but not limited to, whether the contribution was a gift, loan, advancement, or deposit of money or something of value.
4. The form of the contribution, including, but not limited to, whether the contribution was made in form of cash, check, money order, or bond.
5. The name, address, and position of the person associated with the Bell Committee who accepted the contribution on behalf of the Bell Committee.
6. The name, address, and position of the person(s) associated with the Bell Committee who reported or was responsible for reporting the contribution to the Federal Election Commission.

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UNITED STATES FEDERAL ELECTION COMMISSION

In the name of

Mrs. Marjorie Bell
Jeffrey Bell
Bell for Senate Committee

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on August 16, 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 August 3, 1979, regarding the above-captioned matter:

1. Find reason to believe that a violation of 2 U.S.C. §441a(f) may have been committed by the respondent Jeffrey Bell.
2. Approve the letter, order, and subpoena attached to the above-named report.

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

Attest:

8/20/79
Date

Lana L. Stafford
for Marjorie W. Emmons
Secretary to the Commission

Received in the Office of Commission Secretary: 8-6-79, 10:41
Circulated on 48 hour vote basis: 8-6-79, 4:00

80040203467

FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D.C. 20535

MEMORANDUM TO: CHARLES BROWN
FROM: MARJORIE W. BROWN *MWB by pc*
DATE: AUGUST 7, 1979
SUBJECT: OBJECTION - MDR 659 - General Council's
Report dated 6-2-79; received
in OCE 5-6-79, 10:48

The above-named document was circulated on a 48
hour vote basis at 4:00, August 6, 1979.

_____ submitted an objection at
12:30, August 7, 1979, thereby placing MDR 659 on
the Executive Session Agenda for August 14, 1979.

Attached is a copy of
vote sheet with comments:

ATTACHMENT:
Copy of Vote Sheet

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RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20543

DATE AND TIME TRANSMITTED: 8-6-79, 4:00

COMMISSIONERS: ALLEN, FRIEDSON, HARRIS, McGRATH, REICHE, TIERNAN

RETURN TO OFFICE OF COMMISSION SECRETARY BY: AUGUST 8, 1979 - 4:00

MUR. NO. 659 - General Counsel's Report dated 8-3-79 with
Subpoena and Order
(Authorization Sheet attached)

- I approve the recommendation and issuance of subpoena/order.
- I object to the recommendation and issuance of subpoena/order.

COMMENTS:

Date: 8/7/79

Signature:

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.

In the Matter of

Mrs. Marjorie Bell
Jeffrey Bell
Bell for Senate Committee

Case No. 489(78)

GENERAL COUNSEL'S REPORT

Background

On March 22, 1979, the Commission found probable cause to believe that:

- (1) Mrs. Marjorie Bell violated 2 U.S.C. §§ 441a(1)(A), 441f;
- (2) Jeffrey Bell violated 2 U.S.C. § 441f;
- (3) The Bell for Senate Committee violated 2 U.S.C. §§ 441a(f), 441f, 434(b).

and authorized the filing of a civil suit.

The basis for the above findings is the nature of approximately \$52,400.00 of some \$75,000.00 transferred from Marjorie Bell to Jeffrey Bell. Marjorie Bell is the mother of Jeffrey Bell. The Commission's investigation supported its finding that there is probable cause to believe that these funds were contributions made by Marjorie Bell to influence the election of Jeffrey Bell.

In preparing the complaint, the Office of General Counsel concluded that alleging a violation of 2 U.S.C. § 441f as to all respondents in view of the facts of this case would be a poor litigation strategy. As compared to other cases involving alleged violations of § 441f, the facts of this case would require argument of a more novel, tenuous theory of the reach of § 441f.

2 U.S.C. § 441f provides that:

No person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution and no person shall knowingly accept a contribution made by one person in the name of another person.

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Other MNRs dealing with § 441f (e.g., Weinstein, MNR 100; Louis Lee, MNR 422; and Canale, MNR 173) involve fact situations distinguishable from the facts presented in MNR 100. Generally, § 441f claims in these matters concerned situations where third parties, i.e., parties other than the candidate himself, were the persons making the contributions on behalf of the "true contributor". In this case, instead of employees of a corporation, for example, being given money to make a contribution in their names for the corporation, we have Jeffrey Bell's mother, Marjorie Bell, admitting that she gave the funds in question to her son, Jeffrey Bell, the candidate, and that candidate in turn loaning a portion of those monies to his campaign committee. There is no evidence that Marjorie Bell sought out a separate identity (i.e., Jeffrey Bell) to make contributions to Jeffrey Bell. Therefore, the Office of General Counsel has omitted all § 441f claims in the complaint filed.

Analysis

The Office of General Counsel submits that a finding of a violation of 2 U.S.C. § 441a(f) is an appropriate and factually supportable claim against Jeffrey Bell. 2 U.S.C. § 441a(f) provides:

No candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of this section. No officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, in violation of any limitation imposed on contributions and expenditures under this section.

As was fully described in the General Counsel's Report on January 24, 1979, the evidence discovered in the course of the Commission's investigation of other charges brought in this case indicates that there is no legal or factual basis to support a claim that, prior to his candidacy, Jeffrey Bell had legal right of access to, or control over, the \$52,400 that was reported as loans from him to the Bell for Senate Committee. (See Attachment A). Insofar as Jeffrey Bell signed a waiver of his reporting responsibilities with the Commission, the transfers should accordingly be considered contributions from Mrs. Bell to the Bell for Senate Committee. 11 C.F.R. § 101.3.

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All of the loans were made prior to the primary on June 6, 1978, so that \$51,400 of the money given by Mrs. Bell was in violation of Mrs. Bell's \$1,000 contribution limit for the primary under 2 U.S.C. § 441a(a)(1)(A). In addition, the contributions made by Marjorie Bell were violative of the \$25,000 limitation for contributions made in the course of a calendar year as provided by 2 U.S.C. § 441a(a)(3). Attached to the January 29, 1979 General Counsel's Report comparing in chart form transfers made by Marjorie Bell to Jeffrey Bell with what was reported as loans made by Jeffrey Bell to his campaign committee. It is clear in looking at Attachments V and the \$35,000 transfer from Marjorie Bell on May 26, 1978, which was turned over that very day by Jeffrey Bell to his campaign committee, that Mrs. Bell was fully aware that her excessive contributions were being used to influence the election of her son to the Senate. It is equally clear that Jeffrey Bell was fully aware that he was receiving contributions from Mrs. Bell which were in excess of both the \$1,000 and \$25,000 contribution limitations.

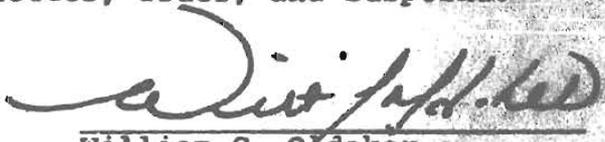
The evidence, therefore, would seem to support the allegation that Jeffrey Bell violated 2 U.S.C. § 441a(f) by knowingly accepting contributions from his mother made in violation of § 441a(a)(1)(A) and § 441a(a)(3). 1/

Recommendation

1. Find reason to believe that a violation of 2 U.S.C. § 441a(f) may have been committed by respondent Jeffrey Bell.
2. Approve the attached letter, order, and subpoena.

Date

B/3/79


William C. Oldaker
General Counsel

Attachments

1. Attachment A (General Counsel's Report dated January 24, 1979, and attachments)
2. Order, Letter, Interrogatories to Respondent and Authorization

1/ The complaint as filed stated the Commission's claims that Marjorie Bell violated 2 U.S.C. § 441a(a)(1)(A) and that the Bell for Senate Committee violated 2 U.S.C. §§ 441a(f), 434(b). Should the Commission find probable cause to believe that Jeffrey Bell violated 2 U.S.C. § 441a(f), the Office of General Counsel will submit a motion to amend its complaint to include Jeffrey Bell as a defendant.

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In the Matter of

Mrs. Marjorie Bell
Jeffrey Bell
Bell for Senate Committee

GENERAL COUNSEL'S REPORT

BACKGROUND

This matter arose from an article in the July 14, 1978, Newark, New Jersey Sunday Star - Ledger. Statements in the article by U.S. Senate candidate Jeffrey Bell and Professor Loren A. Smith, his campaign counsel, indicated that loans made by Bell to the Bell for Senate Committee ("Bell Committee") in fact consisted of funds provided by his mother Mrs. Marjorie Bell. According to disclosure reports Bell had loaned his campaign committee a total of \$52,710 as of June 5, 1978.

On August 9, 1978, the Commission found reason to believe Mrs. Marjorie Bell had violated 2 U.S.C. §§441a(a) (1) (A) and 441f, Jeffrey Bell had violated 2 U.S.C. §441f, and the Bell Committee had violated 2 U.S.C. §§434(b), 441a(f) and 441f.

After an unsuccessful attempt to obtain information informally, the Commission, on September 20, issued Orders to Answer Interrogatories to Mrs. Bell and Jeffrey Bell. The Commission also authorized the issuance of a Subpoena for records of deposits from Jeffrey Bell or his mother in the Bell Committee's account at the New Jersey National Bank, Trenton, New Jersey. The information obtained in response to the Orders and Subpoena was reviewed in our Memorandum of October 26, 1978.

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the Order of the Court. A subpoena was issued to the bank if necessary. On November 1, 1978, a subpoena was issued to the Trenton Saving Fund Society, where Jeffrey Bell maintained his checking account, for records pertaining to transfers from Mrs. Bell to Jeffrey. The Saving Fund's responses are Attachment I to this report.

In addition, Subpoenas to Appear Upon Oral Deposition were issued to Mrs. Bell and Jeffrey Bell and sent to their counsel, Professor Loren Smith, on November 26, 1978. In a telephone conversation with the Assistant General Counsel assigned to this matter, Professor Smith objected to the need for deposing his clients and offered instead to supply documentation responsive to the Commission inquiry. This material was provided on December 13, 1978, and is Attachment II to this report. The documentation consists of the will of Mrs. Bell's late husband John W. Bell, a listing by Mrs. Bell of her bank accounts and the name under which they were maintained, and the name of the attorney who handled the distribution of John Bell's estate.

The above information was supplemented on January 10, 1979, with a letter which sets forth respondents' legal arguments in their defense. (Attachment III) For reference purposes we have also attached Professor Smith's letter of October 6 since he requests the January 10 letter be read in conjunction with it. (Attachment IV).

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another \$18,000 transferred on June 23, 1977. 1/ It will be explained later. Documentation provided by respondents has made it unnecessary to determine at this time which accounts were involved since apparently all of Mrs. Bell's bank accounts were in her name alone.

In Attachment V, these transfers are compared with Jeffrey Bell's loans to his campaign committee. The table shows that after the first transfer from his mother on June 23, 1977, Jeffrey Bell loaned his campaign a total of \$52,400.00. One can reasonably infer from the \$35,000 transfer on May 26, 1976, which was immediately turned over to the Bell for Senate Committee, that Mrs. Bell was aware of the use to which her funds were put.

ANALYSIS

The documentation provided in Attachment II shows that (1) John W. Bell did not leave any portion of his estate to Jeffrey Bell and (2) all of Mrs. Bell's accounts were maintained in her name alone. It therefore appears that Jeffrey Bell enjoyed no right to any proceeds of his father's estate since all went directly to Mrs. Bell. It also appears that Jeffrey Bell did not have signatory authority over any of his mother's bank accounts.

1/ The object of our subpoena was not to determine whether the transfers were made by Mrs. Bell (this was admitted in respondents' October 6 letter) but rather from which accounts the transfers were made. Unfortunately the wire transfer slips are between correspondent banks and do not provide this information.

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rightful title, or with respect to which the
candidate had the right of beneficial enjoyment,
under applicable State law, and which the candidate
had legal right of access to or control over, in-
cluding funds from immediate family members." 11
C.F.R. §119.18(b)(1).

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In his letter of January 10 Professor Smith contends that
Jeffrey Bell did indeed have legal right of access to one-half
his father's estate. His argument is based on Mrs. Bell's oral
promise to Jeffrey in April 1977 that he could consider one-half his
father's estate "his own" and "draw on it" whenever he needed to.
Smith contends this promise, which would ordinarily be unenforce-
able under contract law due to lack of consideration from Jeffrey,
became enforceable through promissory estoppel once Jeffrey had
relied on it and that Jeffrey Bell thereby gained legal right of
access to one-half his father's estate.

We find this argument unpersuasive.

Promissory estoppel is an equity device whereby promises
which would be unenforceable at law due to lack of consideration
are enforced to the extent necessary to prevent injustice. In
lieu of consideration the promisee's reasonable and foreseeable
reliance on the promise makes the promise enforceable.

The extent to which promissory estoppel may be invoked
varies from state to state. The doctrine's broadest formulation,
and therefore that most favorable to respondents, is in RESTATEMENT
2D, CONTRACTS, §90:

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Mrs. Bell's promise was so indefinite as to raise questions as to whether she could reasonably have expected her son to rely upon it to his detriment (for example, by incurring substantial debts which he expected his mother to pay from the estate). We need not reach this question, however, because there was in fact no reliance on Jeffrey Bell's part. Bell did not incur debts or obligations due to the promise. He merely disbursed funds received from his mother by loaning them to his campaign committee. Without reliance, promissory estoppel is irrelevant and what we are presented with remains a series of executed gifts or, as Professor Smith referred to them in his letter of October 6, personal loans from Mrs. Bell to her son.

Furthermore, whether promissory estoppel might make Mrs. Bell's promise enforceable in the event of a breach is not the same question as whether promissory estoppel should be held to grant Jeffrey Bell "legal right of access to" the proceeds of his father's estate. In our opinion, legal right of access means something more than having a potential and limited cause of action for damages.

The plain meaning of the phrase "legal right of access to" connotes at the very least the power to unilaterally withdraw funds from a bank account or otherwise liquidate an asset of another type.

the accounts in question.

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But did he have a "right of beneficial enjoyment" in the proceeds of his father's estate by virtue of the fact that he and his sister might eventually inherit the remainder of the estate from their mother. John Bell's will (Attachment II) left his estate to his children per stirpes if Mrs. Bell did not survive him. 2/ The term per stirpes means that in the event Mrs. Bell predeceased her husband the two children would have taken the share she would have received. The term does not, however, create any interest in the estate on the part of the children if the mother survives their father, as in fact Mrs. Bell did. AM JUR 2D, DESCENT AND DISTRIBUTION 1964, §64, (1965 & Supp.).

There is therefore no legal or factual basis for finding that prior to his candidacy Jeffrey Bell had legal right of access to or control over the funds he used to make \$52,400 3/ in loans to the Bell Committee. The transfers should accordingly be considered contributions from Mrs. Marjorie Bell to the Bell for Senate Committee made in the name of Jeffrey Bell in violation of 2 U.S.C. §441f.

2/ A portion of the will is missing from the Xerox copy provided but this appears to be the essence of the missing phrase.

3/ \$310 loaned to the Bell Committee prior to the first transfer by Mrs. Bell has been excluded from the total amount loaned by Bell to his campaign committee.

held by Mrs. Bell, as well as
of Mrs. Bell's contributions,
under 2 U.S.C. §441(a).

Jeffrey Bell's knowingly permitting his name to be used to
effect these contributions from Mrs. Bell violated 2 U.S.C. §441(a).

The Bell Committee's campaign counsel (and counsel for
respondents in this matter), Loren Smith, is quoted in the Denver
Star-Ledger article of July 16, 1979, as stating that the loans
were from Mrs. Bell. It is therefore apparent that the Bell
Committee was aware of the original source of the funds loaned
to it by Jeffrey Bell and respondents make no argument to the
contrary. They have instead relied on the contention that Jeffrey
Bell had legal right of access to the funds his mother transferred
to him.

The knowing acceptance of these contributions by the Bell
Committee was therefore in violation of 2 U.S.C. §441a(f) and
2 U.S.C. §441f and the failure to accurately report their receipt
violated 2 U.S.C. §434(b).

Since enough evidence was provided by respondents to warrant
finding reasonable cause to believe they violated the Act, we see
no need to go to the expense or delay involved with deposing
Mrs. Bell, who lives in Michigan, and Jeffrey Bell, who lives in
New Jersey, as previously appeared necessary. 4/

4/ Should this matter proceed to litigation, they may be deposed
in the context of pre-trial discovery proceedings.

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2 U.S.C. 5441f by making these contributions in the name of another.

2. Find reasonable cause to believe Jeffrey Bell violated 2 U.S.C. 5441f by knowingly permitting his name to be used to effect contributions in the name of another to the Bell for Senate Committee.
3. Find reasonable cause to believe the Bell for Senate Committee violated 2 U.S.C. 5441a(f) by knowingly accepting contributions from Mrs. Marjorie Bell in excess of the limits of 2 U.S.C. 5441a(a) (1) (A); 2 U.S.C. 5441f by knowingly accepting these contributions in the name of Jeffrey Bell; and 2 U.S.C. 5434(b) by failing to report the actual source of these contributions.
4. Send attached proposed conciliation agreement and letter.

2/5/79
Date


William C. Oldaker
General Counsel

ATTACHMENTS

- I. Responses to Subpoena from Trenton Saving Fund Society
- II. Documentation provided by Respondents (December 13, 1978)
- III. Supplement to Documentation by Respondents (January 10, 1979)
- IV. Respondents' letter of October 5, 1978
- V. Comparison Table: Transfers from Mrs. Bell to Jeffrey Bell, Loans from Jeffrey Bell to Bell Committee
- VI. Proposed Letter to Professor Smith
- VII. Proposed Conciliation Agreement

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, NW
Washington, D.C. 20543

RE: MUR 838 (7)

Dear Mr. Oldaker:

This is to acknowledge your letter and Subpoena which was received November 9, 1978 regarding accounts for Jeffrey Bell. In reply, we wish to advise that we do have the following two accounts:

Checking Account #

Savings Account #

Enclosed is the following which we hope will provide all information that you require:

1. Transcript of large transactions for the checking account #
2. Transcript of large transactions for the savings account #
3. Photostats of signature cards for each account.

The wire transfers were from an Ann Arbor, Michigan bank to our correspondent bank in Trenton, New Jersey.

Very truly yours,

F. Glenn Breen
F. Glenn Breen
President

FGB:pap
encs.

ATTACHMENT I (1 of 7)

Transfer

Savings Account

<u>Date</u>	<u>Deposit</u>
June 27, 1977	\$ 7,600.00
December 14, 1977	\$10,000.00 (transferred from checking account)
June 15, 1978	\$ 5,722.49

Checking Account

<u>Date</u>	<u>Deposit</u>
June 23, 1977	\$10,000.00 (NONE)
December 7, 1977	\$15,000.00 (wire transfer)
May 26, 1978	\$35,000.00 (wire transfer)
May 31, 1978	\$15,000.00 (wire transfer)

80040203403

Jeffrey Bell

I hereby agree to the By-Laws of THE TRENTON SAVING FUND SOCIETY and any amendments or additions thereto hereafter made without further notice.

This account and all moneys to be credited to it to and to us as joint tenants, and will be the absolute property of the survivor of us either and the survivor to draw. We do each appoint the other an attorney-in-fact with power to deposit in said joint account moneys of the other and to withdraw any funds from said account irrespective of the source thereof.

Sign here *Jeffrey Bell* Date *11-2-76*
SS *Jeffrey Bell* *DBB*

Residence _____
Occupation *public affairs* Employer *SH*
Birthday *11-13-43* Mother's Maiden Name *Langley*

I(3.F7)

80040203409

Small CHECKING ACCOUNT
INITIAL

Jeffrey Bell

SIGNATURE
Jeffrey Bell

NAME OF DEPOSITOR

NUMBER AND STREET

CITY

STATE

ZIP CODE

TELEPHONE NUMBER

ACCOUNT NUMBER

525 1-0077

2/1/77

DATE

9-75-000 OVER PLEASE

I(4 of 7

I hereby agree to the By-Laws of The Trustees Spring Pond Society and any amendments or additions thereto hereinafter made without further notice.

2/1/77
DATE

Jeff Bell
SIGNATURE

EMPLOYED BY

Self-employed

#25 DAY
Spec.

BUSINESS ADDRESS

CITY

STATE

ZIP CODE

OCCUPATION

WRITER

80040203486

I(50+7)

800040203487

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

Re: MUR 659 (78)

Dear Mr. Oldaker:

Mr. Gary Christian of your office called yesterday asking for further information on Jeffrey Bell and the captioned matter. In accordance with Mr. Christian's request, we are enclosing the following:

Photostats of wire transfers of

December 7, 1977	\$15,000.00
May 26, 1978	35,000.00
June 2, 1978	15,000.00

The enclosure with my November 17th letter listed a May 31, 1978 transaction as your original request was "on or about May 31, 1978". The actual transaction was June 2, 1978.

Again trusting this is the information you required and that we have fully complied with your wishes.

Very truly yours,


F. Glenn Breen
President

FGB:pap
enc.

I(6 of 7)

NEW JERSEY NATIONAL BANK
TRENTON, N.J.
JEFFREY BELL ADVISE
WIRE TRANSFER
MESSAGE ACKNOWLEDGEMENT
DATE/TIME
AUTHORIZED SIGNATURE

NEW JERSEY NATIONAL BANK
TRENTON, N.J.
INCOMING FUNDS TRANSFERRED THROUGH
FEDERAL RESERVE BANK OF PHILADELPHIA
4/2/78
DUE TO TYPE
DUE FROM REP. AMOUNT
JT 2281 515,000.00 IMD ADVICE
ADVISED FROM BY ORDER OF
ANN ARBOR BK/MARGARET BELL & GREAT LAKES FEDL
FOR CREDIT OF
NEW JERSEY TRENTON/PHONE ADV TO TRENTON SVGS FUNDS
123 E. STATE STREET TRENTON N.J. CR JEFFREY BELL
WIRE TRANSFER
MESSAGE ACKNOWLEDGEMENT
DATE/TIME
AUTHORIZED SIGNATURE

NEW JERSEY NATIONAL BANK
TRENTON, N.J.
INCOMING FUNDS TRANSFERRED THRC
FEDERAL RESERVE BANK OF PHILADEL
Trn. 5/26/78
DUE TO TYPE
DUE FROM REP. AMOUNT
VT 3147 535,000.00 IMD ADVICE
TRANSFERRED FROM BY ORDER OF
ANN ARBOR BK/SAME
FOR CREDIT OF
NJ NTL TRENTON/TRENTON SAV FUND 123 E STATE ST TRENTON NJ JEFFREY BELL
WIRE TRANSFER
MESSAGE ACKNOWLEDGEMENT
DATE/TIME
AUTHORIZED SIGNATURE
I (7 of 7)

PHILIP B. ...
PHILIP A. ...
DONALD L. ...
LESTER A. ...
JOHN F. ...
JOHN E. ...
ADMITTED TO THE ...
ADMITTED TO THE ...

Lester Scall, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

In re: MUR 659(78)

Dear Mr. Scall:

Per our telephone conversation of this morning we have available the materials you requested from Jeffrey Bell and Mrs. Marjorie Bell. These materials consist of:

- (1) The will;
- (2) a description of Mrs. Marjorie Bell's bank accounts both prior to and subsequent to her husband's death; and
- (3) the name of the attorney who handled Mr. Bell's estate probate.

There are no powers of attorney that were executed by Mrs. Bell to her son, Jeffrey.

If we can provide any further information, please let us know.

Sincerely,

Loren A. Smith

Loren A. Smith

LAS:jf
Enclosures

ATTACHMENT II (1 of 7)

60040203489

I, JOHN W. ELL, residing in the Town of Greenburgh, County of Westchester and State of New York, being of sound and disposing mind and memory, do hereby make, publish and declare this to be my Last Will and Testament, hereby revoking all other Wills or Codicils made by me at any time heretofore.

FIRST

I direct my Executor hereinafter named to pay all of my just debts, funeral and administration expenses as soon after my death as may be practical.

SECOND

I intentionally make no provisions for any of my children or any children who may be born to or adopted by me at any time subsequent to the date hereof, as it is my intention to provide for my beloved wife, MARJORIE, knowing that she will act in the best interest of our children.

THIRD

All of the rest, residue and remainder of my property, both real and personal, of whatsoever kind and nature and wheresoever situate of which I may die seized or possessed or to which I am or may become entitled at the time of my death, I give, devise and bequeath to my beloved wife, MARJORIE L. ELL. In the event that my beloved wife shall

80040203490

I hereby, provisionally and subject to the
BEST INTEREST of those named herein, do by this instrument
of this, my Will, and direct that no bond or other security
shall be required of it for the faithful performance of its
duties as such Executor.

ITEM

In addition to the powers and authority confer-
red upon my Executor by law and without limitation by reason
of specification, I expressly authorize and empower my Execu-
tor in its discretion with respect to all property of every
kind and nature owned by me at the time of my death or sub-
sequently acquired, including property held under a power in
trust as follows:

- a) To retain as investments of my estate,
any and all such property, without regard to the
proportion which such property or property of a
similar character may bear to the entire amount
held and whether or not legal for the investment
of funds under the laws of any state;

60040203491

for the intended performance of his duties as executor
or any other jurisdiction.

LAST

If any beneficiary under this, my Will, and I shall
die under such circumstances that there is insufficient evidence
to determine which one of us survived the other, it shall be
deemed for the purposes of this, my Will, that such beneficiary
did not survive me; except that if such beneficiary shall be my
wife, MARGHERIT, she shall be deemed to have survived me.

IN WITNESS WHEREOF, I hereby sign, seal, publish and
declare this to be my last Will and Testament in the presence
of the persons witnessing it at my request this 18th day of
August, 1961.

John W. Bell [L.S.]
John W. Bell

SIGNED, SEALED, PUBLISHED AND DECLARED by JOHN W.
BELL, the Testator named in the foregoing Will, on the 18th day
of August, 1961, in the presence of each of us, and at the time
of making such subscriptions, the above instrument was declared
by the said Testator to be his last Will and Testament and each
of us at the request of the said Testator and in his presence
and in the presence of each other, signed our names as witnesses
thereto:

Dolores E. Oechsle residing at 27 Wall Avenue
Valhalla, N. Y.

Thomas N. Dolan residing at 37 Winding Wood Road
Port Chester, N. Y.

Evans V. Brewster residing at 26 Harvard Court
White Plains, N. Y.

60040203493

4 December, 1978

My son Jeffrey Bell has asked me to supply you with the following bank account numbers:

At the time of my husband's death there were 2 accounts - both at First National Bank of Akron, Akron, Ohio -

- (1) checking account # _____
- (2) Savings account # _____

Both of the above were in our joint names - John W. or Marjorie L. Bell.

After his death I opened the following, all at First National Bank of Akron:

- (1) checking # _____ } Marjorie L. Bell
- (2) Savings # _____ } Marjorie L. Bell
- (3) checking # _____ } Admin. Estate of
- (4) savings # _____ } John W. Bell

00040203494

60040203495

I am enclosing
Toll
at Great Lakes Federal
Savings and Loan
Ann Arbor

Some of these are in the name of
Margaret L. Bell. They are the only accounts in
existence - all of the six listed in Akron, Ohio,
are closed.

My attorney's name and address (for the
trust settlement) are:

Frank H. Harvey, Jr.
Brose + McDowell Co., L.P.A.
500 First National Tower
Akron, Ohio 44309

II (7f7)

It is our very strong view that the only legal question necessary to settle this NUR is the question of whether Mrs. Bell's oral understanding with her son, arrived at just after the death of Jeff's father, and before Jeff became a candidate, is a proper "right of access" under §110.10(b)(1) of the Commission's regulations. At this point it should be noted that the same oral promise was made to Jeff's sister, who also has an expectancy interest in one-half of the estate of Jeff's father, and who did avail herself of part of the estate. The relevant part of that section of the regulations includes within the category of personal funds of the candidate access "with respect to which the candidate had the right of beneficial enjoyment, under applicable State law, and which the candidate had legal right of access to or control over, including funds from immediate family members;..."

There are several compelling reasons for concluding that the loans in question met this standard and so must be treated as personal funds of the candidate.

1. An oral agreement of the type at issue between the mother and her son, that has been partially taken up by the son, is clearly recognized in the common law of virtually all American states. Courts of equity have been willing to specifically enforce such oral promises to convey land, the most formal of all our contractual relationships. This doctrine leaves little doubt that after Jeff understood that his mother had made available to him his expectancy interest in his father's estate, and had changed his financial position in reliance upon such a financial reserve, he then had legally enforceable rights to the funds in question. This clearly meets the test in §110.10(b)(1).

2. It is certainly clear that if Jeff and his mother had a written agreement to the same effect as this oral agreement there would be little doubt that Jeff's actions were in total compliance with the law and would not violate any regulation. Since the present regulations nowhere state that "right of access to or control over" are to be defined in terms of written documents, it is manifestly unfair to so construe them in this case. The effect of doing that would be applying a regulation to Jeff that was not in existence when he made the transfer in question. Further, the social policy of that view is subject to some question. In America the very wealthy, for various reasons, have much more formal and complex intra-family legal relationships. The middle and lower income groups customarily have very informal ones, often nothing more than an understanding of a shared right to family financial aid when needed. If the Commission finds that formal documentation is needed to ensure legal right of

access, then this will make it much more likely that candidates will have available large quantities of funds within the scope of the regs, while middle income candidates may become unfair legal victims of intra-family information.

3. The rights involved here are ultimately first amendment rights of the most basic kind: the right of political advocacy. Buckley v. Valeo, 416 U.S. 1 (1976) allowed their restriction for only the most compelling of reasons, the integrity of the elective process and its protection from corruption or the appearance of corruption. In this case it would be standing Buckley on its head to find that a first amendment right to spend money on one's own campaign hinges on a requirement as technical as the existence of a right not required by any statute or regulation. This strict scrutiny gives any law limiting or recommending the first amendment interest mandates that §10.10(b)(1) be construed narrowly. This section should not and must not be a trap for the unwary. The Supreme Court has consistently found that fundamental rights are not to be restricted by technical procedural controls, whether in the area of the voting rights of minorities, access to public forums by unpopular groups, or in the requisites of procedural due process.

We have chosen not to make our legal responses to this MUR overly brief-like or technical. This is so because we believe that the fundamental issues are relatively clear, and involve important policy concerns which override the technical legal issues. Moreover, we reiterate the fact that we do not believe that the Commission has handled this inquiry in a fair and professional manner to date. Our clients have suffered the embarrassment of having their bank records needlessly subpoenaed despite their voluntary offer to proffer and submit the requested documents, they have been given deposition notices despite their offer to fully and completely answer all relevant inquiries, and despite our repeated requests, the Commission has refused to present a statement of the legal theory upon which the complaint is based.

If the Commission wishes, we stand ready to further "brief" the legal right of access question, though we feel this is not necessary. We also stand ready via affidavits to verify our previous description of the relevant facts of the case. We hope this material is of aid to the Commission in promptly resolving this issue.

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III (3 of 4)

128-51

80040203499

7

III (4 of 4)

PHILIP W. BARKER
PHILIP J. BARKER
DONALD S. BARKER
LESTER A. BATE
JOHN S. BARKER
JOHN S. BARKER
*WRITTEN BY PH. BARKER
*REVIEWED BY PH. BARKER

BY HAND

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20461

Attention: Gary Christian

In re: HJR 659(78)

Dear Mr. Oldaker:

30040203500

This letter is written in response to your letter of the 25th of September, and the Commission's Order of the 21st of September, both received by me on the 27th of September. I am answering in my capacity as counsel for both Jeffrey Bell and his mother, Marjorie L. Bell. As I expressed per my telephone conversation with Gary Christian of your office, on Tuesday, October 3, 1978, I feel some of the questions are not relevant to the inquiry. However, rather than get into a procedural battle over this matter and in order to expedite the resolution of this matter, we are supplying this information now even though no legal standards have yet been adopted by the Commission for what constitutes "legal right of access" to funds to which a candidate is personally entitled. We are doing this because of our belief in the good faith of the Commission, and not as any waiver of our objections to the overly broad scope and questionable relevance of some of the interrogatories in the Commission's Order.

Jeffrey Bell's father, and Marjorie Bell's husband, died in March of 1977. Shortly thereafter, the first week of April 1977, Mrs. Bell and her son had the following conversation. In substance Mrs. Bell said of the estate that had just been left to her by her husband: 'You are going to receive half of this eventually. (The other half going to Jeff's sister.) Therefore, consider this yours and draw on it whenever you need to.' At this time, Mrs. Bell was living in Akron, Ohio. In May of 1977, Jeff became a candidate for the Republican nomination to the United States Senate to New Jersey. Following

ATTACHMENT IV (1 of 2)

that date Jeff drew upon funds having in the
his late father's estate. He had transferred
from his father from that portion of his estate
is ultimately the beneficiary of.

The following amounts were transferred from Mrs. Bell
to her son on the respective dates:

\$10,000.....June 23, 1977
\$15,000.....December 7, 1977
\$35,000.....May 26, 1978
\$15,000.....May 31, 1978

The first transfer occurred while Mrs. Bell was still living
in Ohio. The three later transfers occurred after she had
moved to Michigan where Jeff's sister lives.

We hope this satisfies the Commission's Order in MR
659(78). If we can supply any additional relevant information
please let us know. In order to expedite this matter you may
wish to call me at my numbers in Delaware where I am located
most of the time. These are: (302) 239-7056 (Home) and
(302) 478-3000 Ext. 265 (Delaware Law School).

Sincerely,

Loren A. Smith

Loren A. Smith

LAS:jf

\$10,000.00
15,000.00
35,000.00
15,000.00

5/78
6/78
8/78
5/79
12/79
12/14/79
12/15/79
1/31/78
5/26/78
5/31/78
6/5/78

\$
1,700.00
6,300.00
2,900.00
2,500.00
35,000.00
7,000.00

\$75,000.00

TOTAL

\$52,710.00

80040203502

FEDERAL BUREAU OF INVESTIGATION
1125 F STREET, N.W.
WASHINGTON, D.C. 20535

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Loran A. Smith, Esquire
Baskin & Sears
818 Connecticut Avenue, N.W.
Washington, D.C. 20006

Re: SUK 638 (78)

Dear Professor Smith:

On _____, 1979, the Commission determined there was reasonable cause to believe that your clients Mrs. Marjorie Bell, Jeffrey Bell and the Bell for Senate Committee violated certain provisions of the Federal Election Campaign Act of 1971, as amended, in connection with loans made by Jeffrey Bell to the Bell for Senate Committee. Specifically the Commission found reasonable cause to believe that the funds Jeffrey Bell loaned to the Bell for Senate Committee did not consist of his personal funds within the meaning of 11 C.F.R. §110.10 but rather funds loaned by his mother, Mrs. Marjorie Bell. These loans are therefore considered contributions from Mrs. Bell to the Bell for Senate Committee made in the name of Jeffrey Bell. Accordingly the Commission found reasonable cause to believe Mrs. Marjorie Bell violated 2 U.S.C. §5441a(a)(1)(A), and 441f; Jeffrey Bell violated 2 U.S.C. §441f; and the Bell for Senate Committee violated 2 U.S.C. §5441a(f), 441f and 434(b).

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 a civil suit in United States District Court and seek payment of a civil penalty not in excess of the greater of \$5,000 or the amount of the violation, in this case \$51,400 from each respondent.

ATTACHMENT VI (1 of 2)

30040203503

...the Commission approved the agreement.

If you have any questions or suggestions for changes in the enclosed agreement, please contact Lester Scall, the Assistant General Counsel assigned to this matter, at (202) 313-3156.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

60040203504

VI (2 of 2)

Order and Signature of the following persons is required
with this document.

Mr. Jeffrey Bell
640 West State Street
Trenton, New Jersey 08610

Robert O. Flernan
Chairman

John W. McGarry
Commissioner

Max L. Friedersdorf
Vice Chairman

Joan D. Aikens
Commissioner

Thomas H. Harris
Commissioner

Frank P. Reiche
Commissioner

In the Matter of

Mrs. Marjorie Bell
Jeffrey Bell
Bell for Senate Committee

WFO 437(79)

TO: Mr. Jeffrey Bell
540 West State Street
Trenton, New Jersey 08618

3004003506

PURSUANT to the authority set forth in section 4370(a) of Title 2, United States Code, and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the attached interrogatories and to produce documents referred to and requested in those interrogatories. The answers must be submitted under oath within ten (10) days of your receipt of this Order and Subpoena, to the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, Attention: Office of the General Counsel.

WHEREAS, The Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this, the day of July, 1979.

Robert O. Tiernan
Chairman

ATTEST:

Marjorie W. Emmons
Commission Secretary



CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Jeffrey Bell
640 West State Street
Trenton, New Jersey 08618

Re: MUR 659(78)

Dear Mr. Bell:

Based on information ascertained in the normal course of carrying out its investigatory responsibilities, the Federal Election Commission has found reason to believe you violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that you may have violated § 441a(f) by knowingly accepting contributions from Marjorie Bell made in violation of 2 U.S.C. § 441a.

Under 11 C.F.R. § 110.10 unless you had legal right of access to, or control over, the funds used to make the loans in question at the time you became a candidate, such loans would be considered as contributions to the Bell Committee by Mrs. Marjorie Bell. In making contributions of \$52,400 Mrs. Marjorie Bell violated both the \$1,000 limitation of 2 U.S.C. § 441a(a)(1)(A) and the \$25,000 limitation of 2 U.S.C. § 441a(a)(3). 2 U.S.C. § 441a(f) prohibits a candidate from knowingly accepting contributions in violation of 2 U.S.C. § 441a.

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



The Commission is under 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 Patricia F. Bak, the staff member assigned to this matter, at (202) 523-4039.

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

Enclosures



JEFFERY BELL

ORDER AND SUBPOENA

HQR 659(78)

Please answer the following interrogatories and produce all documents referred to herein for inspection by the Commission:

1. State the date on which you first became a candidate for the Federal office of United States Senate for the State of New Jersey for the 1978 election?

2. Identify all financial institutions at which you have maintained any account in your name or at which there exist accounts to which you have had legal access at any time since you became a candidate for the United States Senate from New Jersey for the 1978 election.

3. With regard to each financial institution identified in response to interrogatory number 2, identify all accounts in your name or to which you have a legal right of access, and as to each such account which is not in your name but to which you have a legal right of access, describe specifically what sort of right of access you have and upon what this legal right is based. Produce all documents reflecting this legal right of access.

4. State whether you have made any contributions to the Bell for Senate Committee ("Bell Committee") since the time you became a candidate for the Federal office of United States Senate for the State of New Jersey for the 1978 election.

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13 the answer to interrogatory number 4 is "no", identify all contributions made by you to the Bell Committee.

6. If the answer to interrogatory number 4 is affirmative, identify all contributions which were reported to the Federal Election Commission ("Commission") as loans made by you to the Bell Committee, describing each loan by amount, date, and manner of payment. "Manner of payment" for purposes of this question is defined as including, but not limited to, indicating whether each loan payment was made by check, cash, or money order.

- 30040303510
- a. With respect to each loan identified in response to interrogatory number 6, identify the financial institution and account from which each loan was drawn.
 - b. With respect to each account identified in response to interrogatory number 6a describe by date, amount, source of assets deposited, and manner of deposit, all deposits made into each account since the time you became a candidate for the United States Senate from New Jersey for the 1978 election. Describe "source of assets" for purposes of this question means, indicate whether the assets deposited consisted of your personal earnings, gifts from another, loans from another person or some financial institution, or advancements from another person. If the source of deposits was either a loan from another person or an advancement from another person, identify that person or persons. If the source of the deposit was a loan from a financial institution, identify that financial institution. Describe the manner of deposit", for purposes of this question means, indicate whether the deposit was in the form of cash, money order, check, and if by check, identify the drawer of each check deposited.
 - c. With respect to each loan identified in response to interrogatory number 6, produce for copying and inspection, any and all records, receipts, security agreements, notes, or writings reflecting the terms and conditions of each loan or relating to the payment of each loan to the Bell Committee by you. If any such records, receipts, security agreements, notes, or writings reflecting the terms and

conditions of each loan or related to the payment of each loan are no longer in existence or are no longer in your possession, explain why such records, receipts, security agreements, notes, or writings reflecting the terms and conditions of each loan or relating to the payment of each loan are no longer in existence or are no longer in your possession. Identify the person(s) currently in possession of any such above noted instruments or writings which are no longer in your possession.

d. Identify, with respect to each loan payment identified in response to interrogatory number 5 what person or persons on behalf of the Bell Committee each loan payment was either addressed to and/or delivered to, and received by.

7. Identify each person associated with the Bell Committee with whom you have had any communication regarding each of what were reported to the Commission as loans made by you to the Bell Committee.

8. Identify every oral communication you have had with persons associated with the Bell Committee regarding each or any of the transfers of funds which were reported to the Commission as loans made by you to the Bell Committee.

9. Identify every written communication you have had with persons associated with the Bell Committee regarding each or any of the transfers of funds which were reported to the Commission as loans made by you to the Bell Committee.

10. Identify every telephonic communication you have had with persons associated with the Bell Committee regarding each or any of the transfers of funds which were reported to the Commission as loans made by you to the Bell Committee.

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11. State whether any written communications identified in response to interrogatory number 9, and if such written communications are no longer in existence or in your possession, explain why such written communications are no longer in existence or in your possession, and if such written communications are no longer in your possession, identify the person(s) who is presently in possession of each written communication.

12. With respect to each communication identified in response to interrogatory number 8 as being oral and with respect to each communication identified in response to interrogatory number 10 as being telephonic, state whether any memos, notes, or any other writings were made reflecting the substance of any such communication and produce for copying and inspection all such writings. If with respect to any of these communications, memos, notes, or other writings reflecting the substance of the communication at one time existed but such notes, memos, or other writing are either no longer in existence or in your possession, explain why such memos, notes, or other writings reflecting the substance of the communication are no longer in existence or in your possession. If such memos, notes, or other writings are no longer in your possession, identify the person who is presently in possession of the above noted writings.

13. State whether your mother, Mrs. Marjorie Bell and/or your late father, Mr. John Bell, made any transfers of personal property assets to you since 1975.

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14. If the answer to interrogatory number 13 is affirmative, identify each such transfer of personal property assets.

15. State whether your mother Mrs. Marjorie Bell, since the date of your attaining candidate status has made any transfers of personal property assets to you.

16. If the answer to interrogatory number 15 is affirmative, identify each transfer of personal property assets made by Marjorie Bell to you from the time you attained candidate status until the present.

17. If in response to interrogatory number 15 any of the transfers of personal property assets consisted of loans, with respect to each loan identified, produce for copying and inspection, any and all records, receipts, security agreements, notes, or any other writings which reflect the terms and conditions of each loan or relate to the payment of each loan made by Marjorie Bell to you. If any such records, receipts, security agreements, notes, or writings reflecting the terms and conditions of each loan or relating to the payment of each loan existed, but are either no longer in existence or are no longer in your possession, explain why such records, receipts, security agreements, notes, or writing reflecting the terms and conditions of each loan or relating to the payments of each loan are no longer in existence or are no longer in your possession. Identify the person(s) currently in possession of any such above noted instruments or writings which are no longer in your possession.

U 0 0 4 0 2 0 3 5 1 3

18. If in response to interrogatory number 17 you identified any transfers of assets which were loans that were made by oral agreement, with respect to each loan identified, identify the persons who were parties to any oral agreement, state the date of each such oral agreement, identify all persons present at the time each oral agreement was made, describe fully what was said by each and all parties and the terms and conditions of each agreement. If no oral agreements were made, with respect to each of the loans identified, so state.

19. State whether any communications other than those already identified in response to interrogatories number 17 and 18 took place at any time between you and your mother Marjorie Bell, which related in any way to any or all transfers of assets from her to you since you became a candidate for the Federal office of the United States Senate for the State of New Jersey for the 1978 election.

20. If the answer to interrogatory number 19 is affirmative identify all such communications which were oral communications.

21. If the answer to interrogatory number 19 is affirmative, identify all such communications which were written communications.

22. If the answer to interrogatory number 19 is affirmative, identify all such communications which were telephonic communications.

23. Produce for copying and inspection all written communications identified in response to interrogatory number 21, and if such written communications are no longer in existence or in your

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possessions, explain why such communications are no longer in existence or in your possession and if such written communications are no longer in your possession, identify the person(s) who is presently in possession of such written communications.

24. With respect to each communication identified in response to interrogatory number 20 as being oral and with respect to each communication identified in response to interrogatory number 22 as being telephonic, state whether any memos, notes, or any other writings were made reflecting the substance of any such communication and produce for copying and inspection all such writings. If with respect to any of these communications, memos, notes, or other writings reflecting the substance of the communication at one time existed but such notes, memos, or other writings are either no longer in existence or in your possession, explain why such memos, notes or other writings reflecting the substance of the communications are no longer in existence or in your possession. If such memos, notes, or other writings are no longer in your possession, identify the person(s) who is presently in possession of the above noted writings.

25. State whether anyone associated with the Bell Committee ever made any inquiry of you regarding the source of the funds which were reported to the Federal Election Commission as loans from you to the Bell Committee.

8004020351

23. If requested by interviewers, identify all individuals in detail who inquiry was made, identify person made the inquiry, when such inquiry was made, and what information you told each person regarding the source of funds which were reported to the Federal Election Commission as loans made by you to the Bell Committee.

24. Produce for copying and inspection all your personal income tax returns for the years, 1976, 1977, 1978, and 1979.

25. Produce for copying and inspection all cancelled checks and/or receipts resulting from contributions made by you to the Bell Committee.

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A. "Identify" as to persons means, name, address, phone number, and, if applicable, position with the Bell for Senate Committee ("Bell Committee"), and the dates for which each position was held.

B. "Account" means any account with a bank and includes a checking, time, interest, or savings account.

C. "Identify" as to account means, describe each account by account number, the name and address of the financial institution at which the account is or was maintained, the name of the account, the type of account, all persons who had legal access and control of each account, the date each account was opened, and, if applicable, the date each account was closed.

D. "Identify" as to the financial institution means, describe each financial institution by name, address, phone number, and by listing, as to each, by name and position with the financial institution, all persons affiliated with each financial institution who aided or assisted on an ongoing basis, Jeffery Bell, Marjorie Bell, or the Bell Committee with his, hers, or its financial interests with that financial institution.

E. "Communication" means any communication whether oral, written or telephonic.

F. "Identify" as to written communication means, describe by author, addressee, date sent, all persons to whom copies were sent, present custodian and/or location or depository and substance of the written communication.

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5. "Written communication" is defined as including, but not limited to, the following items, whether printed or reproduced by any mechanical process or written or produced by hand, namely: agreements, internal correspondence of the Bell Committee, if applicable; correspondence, telegrams, memoranda, records, summaries or records of meetings; summaries or records of personal conversations, summaries or records of telephone conversations, notes, and drafts of any documents.

6. "Identify" as to oral communication means describe by name, address, phone number, position with the Bell Committee, if applicable, all parties to the communication. Described by name, address, phone number, and position with the Bell Committee, if applicable, all other persons present at the time of each oral communication and also describe the communication by date, the location of the parties to the communication at the time of the communication, and the substance of each communication.

7. "Identify" as to telephonic communication means, describe each telephone communication by the name, address, phone number, and position with the Bell Committee, if applicable, each and all persons participating in the telephonic communication also stating the date of the communication and describing the substance of each communication.

8. "Becoming a candidate" or "attaining candidate status" is defined as having occurred when an individual is a candidate

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for federal office, whether or not elected, and when the following events occur:

- (a) The individual has taken the action necessary, under relevant state law to qualify in a primary, runoff, special or general election, convention, or caucus; or
- (b) The individual has received contributions or made expenditures, or has given his or her consent for any other person to receive contributions or make expenditures, with a view toward bringing about his or her election; or
- (c) If after written notification by the Commission that any other person is receiving contributions or making expenditures on the individual's behalf, the individual fails to disavow this activity by letter to the Commission within 30 days of receipt of the notification. See, 11 C.F.R. § 100.2

K. "Contribution" is defined as a gift, subscription, loan, advance, or deposit of money or anything of value, made for the purpose of influencing the nomination for election, or election of any person to federal office;

L. "Loan" is defined to include a guarantee, endorsement, and any other form of security where the risk of non-payment rests with the surety, guarantor, or endorser as well as with a political committee, candidate, or other primary obligor. A loan is a contribution to the extent that the obligation remains outstanding.

M. "Identify" as to transfer of personal property assets means, state for each transfer of personal property assets the following:

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1. The date of transfer.
2. The amount of or value of the assets of each transfer of assets.
3. The type of transfer, including, but not limited to, gift, loan, or advancement.
4. The form of the transfer, including, but not limited to, cash, check, money order, bond, or security.
5. The original source of assets of each transfer assets, stating specifically as to each transfer whether those assets transferred were the personal assets of Mrs. Marjorie Bell or the assets of the estate of John Bell.
6. The method by which each transfer of assets was transmitted, stating for example whether the assets were transferred by mail, wire, or hand delivery.

N. "Identify" as to contribution means state where applicable the following as to each contribution made and/or received:

1. The date on which the contribution was made to and/or received by the Bell Committee.
2. The amount of the contribution.
3. The type of contribution, including, but not limited to, whether the contribution was a gift, loan, advancement, or deposit of money or something of value.
4. The form of the contribution, including, but not limited to, whether the contribution was made in form of cash, check, money order, or bond.
5. The name, address, and position of the person associated with the Bell Committee who accepted the contribution on behalf of the Bell Committee.
6. The name, address, and position of the person(s) associated with the Bell Committee who reported or was responsible for reporting the contribution to the Federal Election Commission.

In the Matter of
Mrs. Marjorie Bell
Jeffrey Bell
Bell for Senate Committee

HJR 659 (78)

CERTIFICATION

I, Marjorie W. Enns, Secretary to the Federal Election Commission, certify that on March 22, 1979, the Commission, meeting in an executive session at which a quorum was present, determined by a vote of 5-0 to adopt the General Counsel's recommendation to take the following actions in HJR 659 (78):

1. Find PROBABLE CAUSE TO BELIEVE that Mrs. Marjorie Bell violated 2 U.S.C. §441a(a) (1) (A) and §441f.
2. Find PROBABLE CAUSE TO BELIEVE that Jeffrey Bell violated 2 U.S.C. §441f.
3. Find PROBABLE CAUSE TO BELIEVE that the Bell for Senate Committee violated 2 U.S.C. §441a(f), §441f and §434(b).
4. Authorize the filing of a civil law suit in this matter.

Attest:

Marjorie W. Enns

Marjorie W. Enns
Secretary to the Commission

3/26/79

Date



80040203521

In the matter of

Mrs. Marjorie Bell
Jeffrey Bell
Bell for Senate Committee

HW 432 (78)

GENERAL COUNCIL'S REPORT

On February 9, 1979, the Commission found reasonable cause to believe that Mrs. Marjorie Bell violated 2 U.S.C. § 441a(a)(1)(A) and § 441f; Jeffrey Bell violated § 441f; and the Bell for Senate Committee violated § 441a(f), § 441f and § 434(b).

RECOMMENDATION

Find probable cause to believe that:

1. Mrs. Marjorie Bell violated 2 U.S.C. §441a(a) (1) (A) and §441f;
2. Jeffrey Bell violated 2 U.S.C. §441f; and
3. The Bell for Senate Committee violated 2 U.S.C. §441a(f), §441f and §434(b).
4. Authorize the filing of a civil law suit.

3/16/79
Date



William C. Oldaker
General Counsel

ATTACHMENTS

2/16/79 letter from Loren Smith

PHILIP A. BRADY
WILLIAM L. BRADY
LEONARD A. BRADY
JAMES P. BRADY
JOHN S. BRADY
ADMITTED IN PA. ONLY
ADMITTED IN VA. ONLY

BY HAND

The Hon. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20542

In re: MUR 1979

Dear Mr. Oldaker:

This letter is on behalf of all the parties to the above-captioned MUR and is in response to your letter of February 12, 1979. We have reviewed both the findings of the Commission as set forth in the letter and the proposed conciliation agreement with our clients.

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60040203525

We await your response to this matter.

Very truly yours,

Loren A. Smith

Loren A. Smith

LAS:jj

cc: Lester Scall, Esquire

Enclosures

BY HAND

The Hon. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20461

18-001-203 (5/2/78)

Dear Mr. Oldaker:

This letter is on behalf of all the parties to the above-captioned MUR and is in response to your letter of February 12, 1979. We have reviewed both the findings of the Commission as set forth in the letter and the proposed conciliation agreement with our clients.

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We await your response to this letter.

Very truly yours,

Loren A. Smith

Loren A. Smith

LS:jf

cc: Lester Seall, Esquire

Enclosures

00040203527

BY HAND

The Hon. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20542

Re: [illegible]

Dear Mr. Oldaker:

This letter is on behalf of all the parties to the above-captioned MUR and is in response to your letter of February 12, 1979. We have reviewed both the findings of the Commission as set forth in the letter and the proposed conciliation agreement with our clients.

80040003520

We await your response to this matter.

Very truly yours,

Loren A. Smith

Loren A. Smith

LAS:jf

cc: Lester Scall, Esquire

Enclosures

00040203529

CERTIFIED MAIL
RETURN RECEIPT

Loren A. Smith, Esquire
Baskin & Sears
818 Connecticut Avenue
Washington, D.C. 20004

Re: MRB 452 (78)

Dear Professor Smith:

On February 9, 1978, the Commission determined there was reasonable cause to believe that your clients Mrs. Marjorie Bell, Jeffrey Bell and the Bell for Senate Committee violated certain provisions of the Federal Election Campaign Act of 1971, as amended, in connection with loans made by Jeffrey Bell to the Bell for Senate Committee. Specifically the Commission found reasonable cause to believe that the funds Jeffrey Bell loaned to the Bell for Senate Committee did not consist of his personal funds within the meaning of 11 C.F.R. §110.10 but rather funds loaned by his mother, Mrs. Marjorie Bell. These loans are therefore considered contributions from Mrs. Bell to the Bell for Senate Committee made in the name of Jeffrey Bell. Accordingly the Commission found reasonable cause to believe Mrs. Marjorie Bell violated 2 U.S.C. §§441a(a)(1)(A), and 441f; Jeffrey Bell violated 2 U.S.C. §441f; and the Bell for Senate Committee violated 2 U.S.C. §§441a(f), 441f and 434(b).

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 a civil suit in United States District Court and seek payment of a civil penalty not in excess of the greater of \$5,000 or the amount of the violation, in this case \$51,400 from each respondent.

In the Matter of

Mrs. Marjorie Bell
Jeffrey Bell
Bell for Senate Committee

CERTIFICATION

I, Marjorie W. Evans, Secretary to the Federal Election Commission, do hereby certify that on February 3, 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 January 24, 1979, regarding the above-captioned matter:

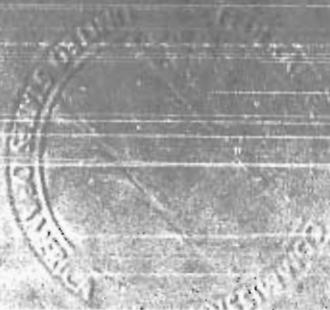
1. Find reasonable cause to believe Mrs. Marjorie Bell violated 2 U.S.C. §441a(a)(1)(A) by making contributions to the Bell for Senate Committee in excess of \$1,000 per election and 2 U.S.C. §441f by making these contributions in the name of another.
2. Find reasonable cause to believe Jeffrey Bell violated 2 U.S.C. §441f by knowingly permitting his name to be used to effect contributions in the name of another to the Bell for Senate Committee.
3. Find reasonable cause to believe the Bell for Senate Committee violated 2 U.S.C. §441a(f) by knowingly accepting contributions from Mrs. Marjorie Bell in excess of the limits of 2 U.S.C. §441a(a)(1)(A); 2 U.S.C. §441f by knowingly accepting these contributions in the name of Jeffrey Bell; and 2 U.S.C. §434(b) by failing to report the actual source of these contributions.

Continued

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2/4/79
Date

Marjorie W. Evans
Marjorie W. Evans
Secretary to the Commission



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Signed by General Counsel: 2-5-79
Received in Office of Commission Secretary: 2-7-79, 10:39
Circulated on 48 hour vote basis: 2-7-79, 2:45

Mrs. Marjorie Bell
Jeffrey Bell
Bell for Senate Committee

SECRET

Background

This matter arose from an article in the July 16, 1978, Newark, New Jersey Sunday Star - Ledger. Statements in the article by U.S. Senate candidate Jeffrey Bell and Professor Loren A. Smith, his campaign counsel, indicated that loans made by Bell to the Bell for Senate Committee ("Bell Committee") in fact consisted of funds provided by his mother Mrs. Marjorie Bell. According to disclosure reports Bell had loaned his campaign committee a total of \$52,710 as of June 5, 1978.

On August 9, 1978, the Commission found reason to believe Mrs. Marjorie Bell had violated 2 U.S.C. §§441a(a)(1)(A) and 441f, Jeffrey Bell had violated 2 U.S.C. §441f, and the Bell Committee had violated 2 U.S.C. §§434(b), 441a(f) and 441f.

After an unsuccessful attempt to obtain information informally, the Commission, on September 20, issued Orders to Answer Interrogatories to Mrs. Bell and Jeffrey Bell. The Commission also authorized the issuance of a Subpoena for records of deposits from Jeffrey Bell or his mother in the Bell Committee's account at the New Jersey National Bank, Trenton, New Jersey. The information obtained in response to the Orders and Subpoena was reviewed in our Memorandum of October 26, 1978.

Smith's will and the will of his father
under applicable state law, and that the
will itself would be subject to or changed by
existing state law provisions relating to
C.F.R. §110.10(b)(1).

In his letter of January 18 Professor Smith contends that
Jeffrey Bell did indeed have legal right of access to one-half
his father's estate. His argument is based on Mrs. Bell's oral
promise to Jeffrey in April 1977 that he could consider one-half his
father's estate "his own" and "draw on it" whenever he needed to.
Smith contends this promise, which would ordinarily be unenforce-
able under contract law due to lack of consideration from Jeffrey,
became enforceable through promissory estoppel once Jeffrey had
relied on it and that Jeffrey Bell thereby gained legal right of
access to one-half his father's estate.

We find this argument unpersuasive.

Promissory estoppel is an equity device whereby promises
which would be unenforceable at law due to lack of consideration
are enforced to the extent necessary to prevent injustice. In
lieu of consideration the promisee's reasonable and foreseeable
reliance on the promise makes the promise enforceable.

The extent to which promissory estoppel may be invoked
varies from state to state. The doctrine's broadest formulation,
and therefore that most favorable to respondents, is in **RESTATEMENT**
2D, CONTRACTS, §90:

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Mrs. Bell's promise was enforceable as to relief granted to her son, the relief granted or not granted had no effect upon it to his detriment (for example, by incurring substantial debts which he expected his mother to pay from the estate). We need not reach this question, however, because there was in fact no reliance on Jeffrey Bell's part. Bell did not incur any obligations due to the promise. He merely disbursed funds received from his mother by loaning them to his campaign committee. Without reliance, promissory estoppel is irrelevant and what we are presented with remains a series of executed gifts or, as Professor Smith referred to them in his letter of October 6, personal loans from Mrs. Bell to her son.

Furthermore, whether promissory estoppel might make Mrs. Bell's promise enforceable in the event of a breach is not the same question as whether promissory estoppel should be held to grant Jeffrey Bell "legal right of access to" the proceeds of his father's estate. In our opinion, legal right of access means something more than having a potential and limited cause of action for damages.

The plain meaning of the phrase "legal right of access to" connotes at the very least the power to unilaterally withdraw funds from a bank account or otherwise liquidate an asset of another type.

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The subject in question.
Mrs. Bell may have a "right of beneficial enjoyment" in the proceeds of his father's estate by virtue of the fact that he and his sister might eventually inherit the remainder of the estate from their mother. John Bell's will (Attachment II) left his estate to his children per stirpes if Mrs. Bell did not survive him. 1/ The term per stirpes means that in the event Mrs. Bell predeceased her husband the two children would have taken the share she would have received. The term does not, however, create any interest in the estate on the part of the children if the mother survives their father, as in fact Mrs. Bell did. AM JUR 2D, DESCENT AND DISTRIBUTION 1964, §64, (1965 & Supp.).

There is therefore no legal or factual basis for finding that prior to his candidacy Jeffrey Bell had legal right of access to or control over the funds he used to make \$52,400 3/ in loans to the Bell Committee. The transfers should accordingly be considered contributions from Mrs. Marjorie Bell to the Bell for Senate Committee made in the name of Jeffrey Bell in violation of 2 U.S.C. §441f.

2/ A portion of the will is missing from the Xerox copy provided but this appears to be the essence of the missing phrase.

3/ \$310 loaned to the Bell Committee prior to the first transfer by Mrs. Bell has been excluded from the total amount loaned by Bell to his campaign committee.

Jeffrey Bell's knowingly permitting his name to be used in effect to raise contributions from Mrs. Bell violated 2 U.S.C. §441a(f). The Bell Committee's campaign counsel (and counsel for respondents in this matter), Loren Smith, is quoted in the Star Ledger article of July 16, 1979, as stating that the loans were from Mrs. Bell. It is therefore apparent that the Bell Committee was aware of the original source of the funds loaned to it by Jeffrey Bell and respondents make no argument to the contrary. They have instead relied on the contention that Jeffrey Bell had legal right of access to the funds his mother transferred to him.

The knowing acceptance of these contributions by the Bell Committee was therefore in violation of 2 U.S.C. §441a(f) and 2 U.S.C. §441f and the failure to accurately report their receipt violated 2 U.S.C. §434(b).

Since enough evidence was provided by respondents to warrant finding reasonable cause to believe they violated the Act, we see no need to go to the expense or delay involved with deposing Mrs. Bell, who lives in Michigan, and Jeffrey Bell, who lives in New Jersey, as previously appeared necessary. 4/

4/ Should this matter proceed to litigation, they may be deposed in the context of pre-trial discovery proceedings.

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00040903543

- 1. Find reasonable cause to believe Jeffrey Bell violated 2 U.S.C. §441f by making these contributions in the name of another.
- 2. Find reasonable cause to believe Jeffrey Bell violated 2 U.S.C. §441f by knowingly permitting his name to be used to effect contributions in the name of another to the Bell for Senate Committee.
- 3. Find reasonable cause to believe the Bell for Senate Committee violated 2 U.S.C. §441a(f) by knowingly accepting contributions from Mrs. Marjorie Bell in excess of the limits of 2 U.S.C. §441a(a) (1) (A); 2 U.S.C. §441f by knowingly accepting these contributions in the name of Jeffrey Bell; and 2 U.S.C. §434(b) by failing to report the actual source of these contributions.
- 4. Send attached proposed conciliation agreement and letter.

2/5/79
Date


William C. Oldaker
General Counsel

ATTACHMENTS

- I. Responses to Subpoena from Trenton Saving Fund Society
- II. Documentation provided by Respondents (December 13, 1978)
- III. Supplement to Documentation by Respondents (January 10, 1979)
- IV. Respondents' letter of October 6, 1978
- V. Comparison Table: Transfers from Mrs. Bell to Jeffrey Bell, Loans from Jeffrey Bell to Bell Committee
- VI. Proposed Letter to Professor Smith
- VII. Proposed Conciliation Agreement

Mr. William C. Oldham
General Counsel
Federal Election Commission
1325 K Street, NW
Washington, D. C. 20543

Dear Mr. Oldham:

This is to acknowledge your letter and which was received November 9, 1978 regarding accounts for Jeffrey Bell. In reply, we wish to advise that we do have the following two accounts:

Checking Account
Savings Account

Enclosed is the following which we hope will provide all information that you require:

1. Transcript of large transactions for the checking account
2. Transcript of large transactions for the savings account
3. Photostats of signature cards for each account.

The wire transfers were from an Ann Arbor, Michigan bank to our correspondent bank in Trenton, New Jersey.

Very truly yours,

F. Glenn Breen
F. Glenn Breen
President

FGB:pap
encs.

ATTACHMENT I (1 of 7)

00040203545

Checking Account

<u>Date</u>	<u>Deposit</u>
June 27, 1977	\$ 2,600.00
December 14, 1977	\$10,000.00 (wire transfer from checking account)
June 15, 1978	\$ 5,722.49

Checking Account

<u>Date</u>	<u>Deposit</u>
June 23, 1977	\$10,000.00 (NONE)
December 7, 1977	\$15,000.00 (wire transfer)
May 26, 1978	\$35,000.00 (wire transfer)
May 31, 1978	\$15,000.00 (wire transfer)

= Jeffrey Bell

I hereby agree to the By-Laws of THE TRENTON SAVING FUND SOCIETY and any amendments or additions thereto hereafter made without further notice.

This account and all money to be credited to it to be held by us as joint tenants, and will be the absolute property of the survivor of us; either and the survivor to draw. We do each appoint the other attorney-in-fact with power to deposit in said joint account moneys of the other and to withdraw the same from the account irrespective of the source thereof.

Sign here *Jeffrey Bell* Date *11-2-44*
SS. *Bell*

Residence *1113 1/2*
Occupation *public affairs* Employer *SP HF*
Birthday *11-13-43* Mother's Maiden Name *Tangley*

I(30F7)

80040203547

Special CHECKING ACCOUNT
INDIVIDUAL

SIGNATURE Jeffery Bell

NAME OF DEPOSITOR Jeffery Bell

NUMBER AND STREET _____

CITY _____ STATE _____ ZIP CODE _____

TELEPHONE NUMBER _____

ACCOUNT NUMBER _____

DATE 2/11/77

6-10-66 OVER PLEASE

80040203548

I hereby agree to the By-Laws of The Traveler Union Fund Society and any amendments or additions thereof hereafter made without further notice.

2/11/77
DATE

Jeff Bell
SIGNATURE

EMPLOYED BY Self-employed

#25 DAY
Spec.

BUSINESS ADDRESS

CITY

STATE

ZIP CODE

OCCUPATION

WRITER

I(5.17)

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20543

Re: MUR 885791

Dear Mr. Oldaker:

Mr. Gary Christian of your office called yesterday asking for further information on Jeffrey Bell and the captioned matter. In accordance with Mr. Christian's request, we are enclosing the following:

Photostats of wire transfers of	
December 7, 1977	\$15,000.00
May 26, 1978	35,000.00
June 2, 1978	15,000.00

The enclosure with my November 17th letter listed a May 31, 1978 transaction as your original request was "on or about May 31, 1978". The actual transaction was June 2, 1978.

Again trusting this is the information you required and that we have fully complied with your wishes.

Very truly yours,



F. Glenn Breen
President

FGB:pap
enc.

I(6 of 7)

In 12/1/77

NEW JERSEY NATIONAL BANK
TRENTON, N.J.

WIRE TRANSFER

MESSAGE ACKNOWLEDGEMENT
DATE/TIME

AUTHORIZED SIGNATURE

NEW JERSEY NATIONAL BANK
TRENTON, N.J.

INCOMING FUNDS TRANSFERRED THROUGH
FEDERAL RESERVE BANK OF PHILADELPHIA

6/2/78

DATE	TYPE	REF.	AMOUNT
11/23/77			\$13,000.00

ADVICE OF CREDIT

TRANSFERRED FROM ANN ARBOR BK/MARGARET BELL & GREAT LAKES FEDL

FOR CREDIT OF NEW JERSEY TREASURY/PHONE ADV TO TRENTON SVGS FUNDS
123 E. STATE STREET TRENTON N.J. CR JEFFREY BELL

ACCOUNT NUMBER

WIRE TRANSFER

MESSAGE ACKNOWLEDGEMENT
DATE/TIME

AUTHORIZED SIGNATURE

NEW JERSEY NATIONAL BANK
TRENTON, N.J.

INCOMING FUNDS TRANSFERRED THRU
FEDERAL RESERVE BANK OF PHILADELPHIA

In 5/24/78

DATE	TYPE	REF.	AMOUNT
11/31/77			\$35,000.00

ADVICE OF CREDIT

TRANSFERRED FROM ANN ARBOR BK/SAME

FOR CREDIT OF NJ NTL TRENTON/TRENTON SAV FUND 123 E STATE ST TRENTON N.J. JEFFREY BELL

ACCOUNT NUMBER

WIRE TRANSFER

MESSAGE ACKNOWLEDGEMENT
DATE/TIME

AUTHORIZED SIGNATURE

I (7 of 7)

WALTER D. ...
WALTER D. ...

Lester Scall, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20543

IN RE: ... (78)

Dear Mr. Scall:

Per our telephone conversation of this morning we have available the materials you requested from Jeffrey Bell and Mrs. Marjorie Bell. These materials consist of:

- (1) The will;
- (2) a description of Mrs. Marjorie Bell's bank accounts both prior to and subsequent to her husband's death; and
- (3) the name of the attorney who handled Mr. Bell's estate probate.

There are no powers of attorney that were executed by Mrs. Bell to her son, Jeffrey.

If we can provide any further information, please let us know.

Sincerely,
Loren A. Smith
Loren A. Smith

LAS:jf
Enclosures

6004020355

I, JAMES W. BELL, residing in the Town of ...
burgh, County of Westchester and State of New York, being of
sound and disposing mind and memory, do hereby make, publish
and declare this to be my Last Will and Testament, hereby
revoking all other Wills or Codicils made by me at any time
heretofore.

FIRST

I direct my Executor hereinafter named to pay all
of my just debts, funeral and administration expenses as soon
after my death as may be practical.

SECOND

I intentionally make no provisions for any of my
children or any children who may be born to or adopted by me
at any time subsequent to the date hereof, as it is my in-
tention to provide for my beloved wife, MARJORIE, knowing
that she will act in the best interest of our children.

THIRD

All of the rest, residue and remainder of my prop-
erty, both real and personal, of whatsoever kind and nature
and wheresoever situate of which I may die seized or posses-
sed or to which I am or may become entitled at the time of
my death, I give, devise and bequeath to my beloved wife,
MARJORIE L. BELL. In the event that my beloved wife shall

00040203552

60040203553

I hereby authorize and empower my Executor, Administrators, Trustees, Attorneys-in-Fact, and Assigns, to sell, convey, lease, mortgage, and otherwise dispose of all or any part of my real and personal property, wherever situated, in and to the extent and for the purposes herein specified, and to execute and deliver all instruments necessary or proper to carry out the purposes of this will.

In addition to the powers and authority conferred upon my Executor by law and without limitation by reason of specification, I expressly authorize and empower my Executor in its discretion with respect to all property of every kind and nature owned by me at the time of my death or subsequently acquired, including property held under a power in trust as follows:

- a) To retain as investments of my estate, any and all such property, without regard to the proportion which such property or property of a similar character may bear to the entire amount held and whether or not legal for the investment of funds under the laws of any state;

60040203554

d) To distribute any such property as may be
 hereinafter mentioned in this will to my
 heirs at law in kind and partly in money.
 e) To retain any income producing personal
 property owned by me at the time of my death and
 property becoming a part of my estate, in which my
 infant shall have declared or indicated a desire to
 acquire or which in the opinion of my Executor should
 be retained for any infant as a part of said infant's
 interest in my estate; any such property may be de-
 livered by my Executor to the guardian or person with
 whom such infant is living during his or her minority
 and upon such person executing a proper receipt there-
 for, my Executor shall not be required to account
 further for such property, such receipt being a suf-
 ficient discharge therefor.

SIXTH

In the event that my beloved wife, MARJORIE, shall
 not survive me, or is at the time of my death an adjudged in-
 competent, I nominate, constitute and appoint my brother,
 ROBERT B. BELL of Springfield, Illinois, Guardian of the per-
 son and property of my children who are under the age of
 twenty-one [21] years at the time of my death. I direct that
 no bond or other security shall be required of ROBERT B. BELL

The testator's intention of his death
at any other jurisdiction.

WILLS

If any beneficiary under this, my Will, shall die under such circumstances that there is insufficient evidence to determine which one of us survived the other, it shall be deemed for the purpose of this, my Will, that such beneficiary did not survive me except that if such beneficiary shall be my wife, MARJORIE, she shall be deemed to have survived me.

IN WITNESS WHEREOF, I hereby sign, seal, publish and declare this to be my last Will and Testament in the presence of the persons witnessing it at my request this 18th day of August, 1961.

John W. Bell [L.S.]
John W. Bell

SIGNED, SEALED, PUBLISHED AND DECLARED by JOHN W. BELL, the Testator named in the foregoing Will, on the 18th day of August, 1961, in the presence of each of us, and at the time of making such subscriptions, the above instrument was declared by the said Testator to be his last Will and Testament and each of us at the request of the said Testator and in his presence and in the presence of each other, signed our names as witnesses thereto:

Dolores E. Oechsle residing at 27 Wall Avenue
Valhalla, N. Y.

Thomas N. Dolan residing at 37 Winding Wood Road
Port Chester, N. Y.

Evans V. Brewster residing at 26 Harvard Court
White Plains, N. Y.

00040203555

4 Dec 1956

My son Jeffrey Bell has asked me to provide you with the following bank account numbers. At the time of my husband's death there were 2 accounts - both at First National Bank of Akron, Akron, Ohio -

- (1) checking account
- (2) Savings account

Both of the above were in our joint names - John W. or Marjorie L. Bell.

After his death I opened the following, all at First National Bank of Akron:

- (1) checking
- (2) Savings
- (3) checking ±
- (4) savings ±

> Marjorie L. Bell

> Marjorie L. Bell,
Adminr, Estate of
John W. Bell

00040203552

at National
Trust Co.
at Great Lakes Federal
Savings and Loan
Ann Arbor

Both of these are in the name of
Margaret L. Bell. They are the only accounts in
existence - all of the six listed in Akron, Ohio,
are closed.

My attorney's name and address (for the
estate settlement) are:
Frank H. Harvey, Jr.
Brouse + McDowell Co., L.P.A.
500 First National Tower
Akron, Ohio 44308

It is very strong evidence that the only legal question necessary to settle this case is the question of whether Mrs. Bell's oral understanding with her son, arrived at just after the death of Jeff's father, and before Jeff became a candidate, is a proper "right of access" under §110.10(b)(1) of the Commission's regulations. At this point it should be noted that the same promise was made to Jeff's sister, who also has an expectancy interest in one-half of the estate of Jeff's father, and who did avail herself of part of the estate. The relevant part of that section of the regulations includes within the category of personal funds of the candidate access "with respect to which the candidate had the right of beneficial enjoyment, under applicable State law, and which the candidate had legal right of access to or control over, including funds from immediate family members."

There are several compelling reasons for concluding that the loans in question met this standard and so must be treated as personal funds of the candidate.

1. An oral agreement of the type at issue between the mother and her son, that has been partially taken up by the son, is clearly recognized in the common law of virtually all American states. Courts of equity have been willing to specifically enforce such oral promises to convey land, the most formal of all our contractual relationships. This doctrine leaves little doubt that after Jeff understood that his mother had made available to him his expectancy interest in his father's estate, and had changed his financial position in reliance upon such a financial reserve, he then had legally enforceable rights to the funds in question. This clearly meets the test in §110.10(b)(1).

2. It is certainly clear that if Jeff and his mother had a written agreement to the same effect as this oral agreement there would be little doubt that Jeff's actions were in total compliance with the law and would not violate any regulation. Since the present regulations nowhere state that "right of access to or control over" are to be defined in terms of written documents, it is manifestly unfair to so construe them in this case. The effect of doing that would be applying a regulation to Jeff that was not in existence when he made the transfer in question. Further, the social policy of that view is subject to some question. In America the very wealthy, for various reasons, have much more formal and complex intra-family legal relationships. The middle and lower income groups customarily have very informal ones, often nothing more than an understanding of a shared right to family financial aid when needed. If the Commission finds that formal documentation is needed to ensure legal right of

access, they will have it and more likely than candidates will have available large quantities of money within the scope of the law, while middle income candidates may become unfair legal victims of intra-family infighting.

3. The rights involved here are ultimately first amendment rights of the most basic kind: the right of political expression. Buckley v. Valeo, 416 U.S. 1 (1974) allowed their respondents for only the most compelling of reasons, the integrity of the elective process and its protection from corruption or the appearance of corruption. In this case it would be standing Buckley on its head to find that a first amendment right to spend money on one's own campaign hinges on a requirement as technical as the existence of a right not required by any statute or regulation. This strict scrutiny given any law limiting or recommending the first amendment interest mandates that § 101(b)(1) be construed narrowly. This section should not and must not be a trap for the unwary. The Supreme Court has consistently found that fundamental rights are not to be restricted by technical procedural controls, whether in the area of the voting rights of minorities, access to public forums by unpopular groups, or in the requisites of procedural due process.

We have chosen not to make our legal responses to this MUR overly brief-like or technical. This is so because we believe that the fundamental issues are relatively clear, and involve important policy concerns which override the technical legal issues. Moreover, we reiterate the fact that we do not believe that the Commission has handled this inquiry in a fair and professional manner to date. Our clients have suffered the embarrassment of having their bank records needlessly subpoenaed despite their voluntary offer to proffer and submit the requested documents, they have been given deposition notices despite their offer to fully and completely answer all relevant inquiries, and despite our repeated requests, the Commission has refused to present a statement of the legal theory upon which the complaint is based.

If the Commission wishes, we stand ready to further "brief" the legal right of access question, though we feel this is not necessary. We also stand ready via affidavits to verify our previous description of the relevant facts of the case. We hope this material is of aid to the Commission in promptly resolving this issue.

00040703501

4

III (4 of 4)

UNITED STATES
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463
TELEPHONE 204-4300
FACSIMILE 204-4300
MAIL ROOM 204-4300
ADVISORY BOARD 204-4300
HOURS OF OPERATION 204-4300

BY HAND

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

Attention: Gary Christian

In re: MSJ 6591791

Dear Mr. Oldaker:

This letter is written in response to your letter of the 25th of September, and the Commission's Order of the 21st of September, both received by me on the 27th of September. I am answering in my capacity as counsel for both Jeffrey Bell and his mother, Marjorie L. Bell. As I expressed per my telephone conversation with Gary Christian of your office, on Tuesday, October 3, 1978, I feel some of the questions are not relevant to the inquiry. However, rather than get into a procedural battle over this matter and in order to expedite the resolution of this matter, we are supplying this information now even though no legal standards have yet been adopted by the Commission for what constitutes "legal right of access" to funds to which a candidate is personally entitled. We are doing this because of our belief in the good faith of the Commission, and not as any waiver of our objections to the overly broad scope and questionable relevance of some of the interrogatories in the Commission's Order.

Jeffrey Bell's father, and Marjorie Bell's husband, died in March of 1977. Shortly thereafter, the first week of April 1977, Mrs. Bell and her son had the following conversation. In substance Mrs. Bell said of the estate that had just been left to her by her husband: 'You are going to receive half of this eventually. (The other half going to Jeff's sister.) Therefore, consider this yours and draw on it whenever you need to.' At this time, Mrs. Bell was living in Akron, Ohio. In May of 1977, Jeff became a candidate for the Republican nomination to the United States Senate to New Jersey. Following

ATTACHMENT IV (1 of 2)

that date had drawn upon funds having as their source
his late father's estate. He had treated that as a loan
from his father from that portion of his father's estate
is ultimately the beneficiary of.

The following amounts were transferred from Mrs. Bell
to her son on the respective dates:

\$10,000.....June 23, 1977
\$15,000.....December 7, 1977
\$35,000.....May 26, 1978
\$15,000.....May 31, 1978

The first transfer occurred while Mrs. Bell was still living
in Ohio. The three later transfers occurred after she had
moved to Michigan where Jeff's sister lives.

We hope this satisfies the Commission's Order in NLR
659(78). If we can supply any additional relevant information
please let us know. In order to expedite this matter you may
wish to call me at my numbers in Delaware where I am located
most of the time. These are: (302) 239-7056 (Home) and
(302) 478-3000 Ext. 265 (Delaware Law School).

Sincerely,

Loren A. Smith

Loren A. Smith

LAS:jf

00040203563

CELESTINE BELL
BANKING & TRUST

Loren A. Smith, Esquire
Baskin & Sears
518 Connecticut Avenue, N.W.
Washington, D.C. 20004

Re: MR 412 (7)

Dear Professor Smith:

On , 1979, the Commission determined there was reasonable cause to believe that your clients Mrs. Marjorie Bell, Jeffrey Bell and the Bell for Senate Committee violated certain provisions of the Federal Election Campaign Act of 1971, as amended, in connection with loans made by Jeffrey Bell to the Bell for Senate Committee. Specifically the Commission found reasonable cause to believe that the funds Jeffrey Bell loaned to the Bell for Senate Committee did not consist of his personal funds within the meaning of 11 C.F.R. §110.10 but rather funds loaned by his mother, Mrs. Marjorie Bell. These loans are therefore considered contributions from Mrs. Bell to the Bell for Senate Committee made in the name of Jeffrey Bell. Accordingly the Commission found reasonable cause to believe Mrs. Marjorie Bell violated 2 U.S.C. §§441a(a)(1)(A), and 441f; Jeffrey Bell violated 2 U.S.C. §441f; and the Bell for Senate Committee violated 2 U.S.C. §§441a(f), 441f and 434(b).

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 a civil suit in United States District Court and seek payment of a civil penalty not in excess of the greater of \$5,000 or the amount of the violation, in this case \$51,400 from each respondent.

ATTACHMENT VII (1 of 2)

505030201010004020305

60040203566

Enclosure

Sincerely,

William G. ...
General Counsel

VI (2 of 2)

The Hon. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20543

Attention: Lester Scall, Esquire
Gary Christian, Esquire

Re: MUR 633 (78)

Dear Mr. Oldaker:

On behalf of all the parties to this MUR we are submitting the following statement of our legal position. This letter should be read together with our letter of October 6, 1978 to the Commission as setting forth our position. As a further item on behalf of our clients, Jeffrey Bell and Mrs. Marjorie Bell, we make the offer to the Commission of affidavits supporting and describing the events which led to Jeffrey Bell's right of legal access to the money in question in this MUR. While awaiting the Commission's decision as to whether the affidavits are thought necessary, we also wish to renew and very strongly protest the way this case has been handled to date. We feel that the Commission has an obligation to provide us with a legal statement of what this complaint is based upon. That is, we feel we should at least be told what the definition of the regulation in question is. We also strongly feel that the way this case has been approached via subpoenas without prior requests or consultation with ourselves shows a most unprofessional attitude. However, as this letter indicates, we are presenting our view of the case in the belief that now we can finally resolve this matter in the interests of the enforcement of the law.

80040203570

It is our very strong view that the only legal question necessary to settle this MUR is the question of whether the mother's oral understanding with her son, arrived at just before the death of Jeff's father, and before Jeff became a candidate for a "right of access" under §110.10(b)(1) of the regulations. At this point it should be noted that the promise was made to Jeff's sister, who also has an expectancy interest in one-half of the estate of Jeff's father, and who did avail herself of part of the estate. The relevant part of that section of the regulations includes within the category of personal funds of the candidate access "with respect to which the candidate had the right of beneficial enjoyment, under applicable State law, and which the candidate had legal right of access to or control over, including funds from immediate family members."

There are several compelling reasons for concluding that the loans in question met this standard and so must be treated as personal funds of the candidate.

1. An oral agreement of the type at issue between the mother and her son, that has been partially taken up by the son, is clearly recognized in the common law of virtually all American states. Courts of equity have been willing to specifically enforce such oral promises to convey land, the most formal of all our contractual relationships. This doctrine leaves little doubt that after Jeff understood that his mother had made available to him his expectancy interest in his father's estate, and had changed his financial position in reliance upon such a financial reserve, he then had legally enforceable rights to the funds in question. This clearly meets the test in §110.10(b)(1).

2. It is certainly clear that if Jeff and his mother had a written agreement to the same effect as this oral agreement there would be little doubt that Jeff's actions were in total compliance with the law and would not violate any regulation. Since the present regulations nowhere state that "right of access to or control over" are to be defined in terms of written documents, it is manifestly unfair to so construe them in this case. The effect of doing that would be applying a regulation to Jeff that was not in existence when he made the transfer in question. Further, the social policy of that view is subject to some question. In America the very wealthy, for various reasons, have much more formal and complex intra-family legal relationships. The middle and lower income groups customarily have very informal ones, often nothing more than an understanding of a shared right to family financial aid when needed. If the Commission finds that formal documentation is needed to ensure legal right of

access, then this will not be a problem. Only the candidates will have available large quantities of money within the scope of the regs, while middle income voters may become unfair legal victims of intra-family infighting.

3. The rights involved here are ultimately first amendment rights of the most basic kind: the right of political expression. Buckley v. Valeo, 418 U.S. 1 (1976) allowed their restriction for only the most compelling of reasons, the integrity of the elective process and its protection from corruption or the appearance of corruption. In this case it would be strange to put Buckley on its head to find that a first amendment right to spend money on one's own campaign hinges on a requirement as technical as the existence of a right not required by statute or regulation. This strict scrutiny given any law restricting the first amendment interest mandates that the law be construed narrowly. This section should not and must not be a trap for the unwary. The Supreme Court has consistently held that fundamental rights are not to be restricted by technical procedural controls, whether in the area of the voting rights of minorities, access to public forums by unpopular groups, or in the requisites of procedural due process.

We have chosen not to make our legal responses to this MUR overly brief-like or technical. This is so because we believe that the fundamental issues are relatively clear, and involve important policy concerns which override the technical legal issues. Moreover, we reiterate the fact that we do not believe that the Commission has handled this inquiry in a fair and professional manner to date. Our clients have suffered the embarrassment of having their bank records needlessly subpoenaed despite their voluntary offer to proffer and submit the requested documents, they have been given deposition notices despite their offer to fully and completely answer all relevant inquiries, and despite our repeated requests, the Commission has refused to present a statement of the legal theory upon which the complaint is based.

If the Commission wishes, we stand ready to further "brief" the legal right of access question, though we feel this is not necessary. We also stand ready via affidavits to verify our previous description of the relevant facts of the case. We hope this material is of aid to the Commission in promptly resolving this issue.

00040203572

EAGLE-A
QUAN BOND
COTTON FIBRE USA

00040210357

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

Lester Scall, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Mr. Scall:

Per our telephone conversation of this morning, available the materials you requested from Jeffrey Bell, Mrs. Marjorie Bell. These materials consist of:

- (1) The will;
- (2) a description of Mrs. Marjorie Bell's bank accounts both prior to and subsequent to her husband's death and
- (3) the name of the attorney who handled Mr. Bell's estate probate.

There are no powers of attorney that were executed by Mrs. Bell to her son, Jeffrey.

If we can provide any further information, please let us know.

Sincerely,

Loren A. Smith

Loren A. Smith

LAS:jf
Enclosures

60040203574

of my last will, funeral and administration expenses to be paid after my death as may be practical.

SECOND

I intentionally make no provisions for any of my children or any children who may be born to or adopted by me at any time subsequent to the date hereof, as it is my intention to provide for my beloved wife, MARJORIE, knowing that she will act in the best interest of our children.

THIRD

All of the rest, residue and remainder of my property, both real and personal, of whatsoever kind and nature and wherever situate of which I may die seized or possessed or to which I am or may become entitled at the time of my death, I give, devise and bequeath to my beloved wife, MARJORIE L. BELL. In the event that my beloved wife shall

80040203575

I hereby nominate and appoint as Executor of my Will, the County of _____ State of _____, to be the Executor of this, my Will, and direct that no bond or other security shall be required of it for the faithful performance of its duties as such Executor.

FIFTH

In addition to the powers and authority conferred upon my Executor by law and without limitation by reason of specification, I expressly authorize and empower my Executor in its discretion with respect to all property of every kind and nature owned by me at the time of my death or subsequently acquired, including property held under a power in trust as follows:

- a) To retain as investments of my estate, any and all such property, without regard to the proportion which such property or property of a similar character may bear to the entire amount held and whether or not legal for the investment of funds under the laws of any state;

00040903577

3) To retain and manage producing personal property owned by me at the time of my death or subsequently becoming a part of my estate, in which my infant shall have declared or indicated a desire to acquire or which in the opinion of my Executor should be retained for my infant as a part of said infant's interest in my estate; any such property may be delivered by my Executor to the guardian or person with whom such infant is living during his or her minority and upon such person executing a proper receipt therefor, my Executor shall not be required to account further for such property, such receipt being a sufficient discharge therefor.

4) To retain and manage producing personal property owned by me at the time of my death or subsequently becoming a part of my estate, in which my infant shall have declared or indicated a desire to acquire or which in the opinion of my Executor should be retained for my infant as a part of said infant's interest in my estate; any such property may be delivered by my Executor to the guardian or person with whom such infant is living during his or her minority and upon such person executing a proper receipt therefor, my Executor shall not be required to account further for such property, such receipt being a sufficient discharge therefor.

SIXTH

In the event that my beloved wife, MARJORIE, shall not survive me, or is at the time of my death an adjudged incompetent, I nominate, constitute and appoint my brother, ROBERT B. BELL of Springfield, Illinois, Guardian of the person and property of my children who are under the age of twenty-one [21] years at the time of my death. I direct that no bond or other security shall be required of ROBERT B. BELL.

If any beneficiary named in this Will shall predecease me, I shall be deemed for the purposes of this, my Will, that such beneficiary did not survive me; except that if such beneficiary shall be my wife, MELBURN, she shall be deemed to have survived me.

IN WITNESS WHEREOF, I hereby sign, seal, publish and declare this to be my last Will and Testament in the presence of the persons witnessing it at my request this 18th day of August, 1961.

John W. Bell [S.S.]
John W. Bell

SIGNED, SEALED, PUBLISHED AND DECLARED by JOHN W.

BELL, the Testator named in the foregoing Will, on the 18th day of August, 1961, in the presence of each of us, and at the time of making such subscriptions, the above instrument was declared by the said Testator to be his last Will and Testament and each of us at the request of the said Testator and in his presence and in the presence of each other, signed our names as witnesses thereto:

Dolores E. Oechsle residing at 27 Wall Avenue
Valhalla, N. Y.

Thomas N. Dolan residing at 37 Winding Wood Road
Port Chester, N. Y.

Evans V. Brewster residing at 26 Harvard Court
White Plains, N. Y.

80040203578

My son John W. Bell
you with the following
At the time of my death I had
2 accounts - both at First National Bank
Akron, Akron, Ohio -
(1) checking account #
(2) Savings account #
Both of the above were in our joint names -
John W. or Marjorie L. Bell.

After his death I opened the following, all
at First National Bank of Akron:

- (1) checking #
- (2) Savings #
- (3) checking #
- (4) savings #

Marjorie L. Bell
Marjorie L. Bell,
Adminr, Estate of
John W. Bell

00040203579

After my move from Akron, Ohio to the
Ann Arbor, Michigan area in October of 1977,
I opened the following:

checking # _____

at National Bank and
Trust Co., Ann Arbor

Savings # _____

at Great Lakes Federal
Savings and Loan Assoc.,
Ann Arbor

Both of these are in the name of
Marjorie L. Bell. They are the only accounts in
existence — all of the six listed in Akron, Ohio,
are closed.

My attorney's name and address (for the
estate settlement) are:

Frank H. Harvey, Jr.
Brouse + McDowell Co., L.P.A.
500 First National Tower
Akron, Ohio 44308

DATE:

SUBJECT:

MEM 535 (78)

11-78;

The above-named document was circulated on a 24 hour no-objection basis at 9:00, December 12, 1978.

The Commission Secretary's Office has received no objections to the Interim Investigative Report as of 10:00, this date.

80040203584

November 17, 1978

80800

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20543

Re: MOR 659 (78)

Dear Mr. Oldaker:

Mr. Gary Christian of your office called yesterday asking for further information on Jeffrey Bell and the captioned matter. In accordance with Mr. Christian's request, we are enclosing the following:

Photostats of wire transfers of	
December 7, 1977	\$15,000.00
May 26, 1978	35,000.00
June 2, 1978	15,000.00

The enclosure with my November 17th letter listed a May 31, 1978 transaction as your original request was "on or about May 31, 1978". The actual transaction was June 2, 1978.

Again trusting this is the information you required and that we have fully complied with your wishes.

Very truly yours,



F. Glenn Breen
President

FGB:pap
enc.

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, NW
Washington, D.C. 20543

Re: 4472 237 (78)

Dear Mr. Oldaker:

This is to acknowledge your letter and Subpoena which was received November 9, 1978 regarding accounts for Jeffrey Bell. In reply, we wish to advise that we do have the following two accounts:

Checking Account #
Savings Account #

Enclosed is the following which we hope will provide all information that you require:

1. Transcript of large transactions for the checking account #
2. Transcript of large transactions for the savings account #
3. Photostats of signature cards for each account.

The wire transfers were from an Ann Arbor, Michigan bank to our correspondent bank in Trenton, New Jersey.

Very truly yours,

E. Glenn Breen

E. Glenn Breen
President

FGB:pap
encs.

00040203586

00040203587

Checking Account

<u>Date</u>	<u>Deposit</u>
June 23, 1977	\$ 5,782.49
December 14, 1977	\$10,000.00 (wire transfer from checking account)
June 15, 1978	\$ 5,782.49

Checking Account

<u>Date</u>	<u>Deposit</u>
June 23, 1977	\$10,000.00 (NONE)
December 7, 1977	\$15,000.00 (wire transfer)
May 26, 1978	\$35,000.00 (wire transfer)
May 31, 1978	\$15,000.00 (wire transfer)

011 2 0 3 5 8 8

Jeffrey Bell

I hereby agree to the By-Laws of THE TRENTON SAVING FUND SOCIETY and any amendments or additions thereto hereafter made without further notice.

To a account with all money to be credited to it be paid to us as joint tenants, and will be the absolute property of the survivor of us either and the survivor to draw. We do each appoint the other attorney in fact with power to deposit in said joint account moneys of the other and to withdraw any funds therefrom irrespective of the source thereof.

Signature: Jeffrey Bell Date: 11-2-46
SS: [Signature]

Residence: [Blank]
Occupation: public affairs Employer: self
Maiden Name: Langley
Birthday: 11-13-93

MR.
MRS.
MISS

Jeffrey Bell

SIGNATURE

Jeffrey Bell

NAME OF DEPOSITOR

NUMBER AND STREET

CITY

STATE

ZIP CODE

TELEPHONE NUMBER

ACCOUNT NUMBER

155 1 107

2/1/77

DATE

CHECKS GOOD OVER PLEASE

CHECKING ACCOUNT
INDIVIDUAL

Account

I hereby certify that the above is a true and correct copy of the original and of all amendments or additions thereto, and of all other matters.

2/11/77
DATE

Jeffery Bell
SIGNATURE

EMPLOYED BY

Self employed

A25 DAY
Spec.

BUSINESS ADDRESS

CITY

STATE

ZIP CODE

OCCUPATION

WRITER

00040203590

9
5
3
0
3
0
4
0
3
0
0

TRENTON SAVINGS FUND
Society
P.O. BOX 1291
TRENTON, NEW JERSEY 08606

TRENTON NJ 08606
PM
25 NOV
1978

RECEIVED
FEDERAL ELECTION COMMISSION
NOV 21 1978
95

NOV 21 PM 12:30

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

CERTIFIED
No. 230645
MAIL

6004000592

BASKIN & SEARS

ATTORNEYS AND COUNSELLORS AT LAW

818 CONNECTICUT AVENUE, N. W.

WASHINGTON, D. C. 20006

*22 1/10/79
SC*

BY HAND

4th Floor

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

Attn: Messrs. Scall and Christian

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. HIGGINS

DATE: NOVEMBER 2, 1978

SUBJECT: SUBPOENAS IN RELATION TO THE

The attached subpoenas, approved October 31, 1978,
have been signed and sealed this date.

ATTACHMENTS:

Subpoenas:

M. Bell

J. Bell

F. Breen

50040203594

MUR659 CC

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" area reverse.

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

2. ARTICLE ADDRESSED TO:
 Mr. F. G. Green, Pres.
 T-union Building Fund Inc.
 Trenton, N.J. 08606

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 943025

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY 11-8

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

POSTMARK NOV 8 1978 CLERK'S INITIALS

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. F. G. Breen, President
Trenton Saving Fund Society
P.O. Box 1201
Trenton, New Jersey 08606

Re: MUR 459 (79)

Dear Mr. Breen:

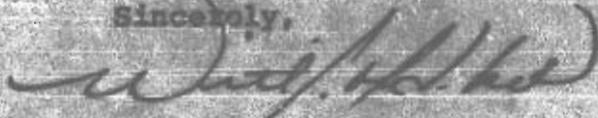
Enclosed is a Subpoena for the production of certain documents issued by the Federal Election Commission in connection with its investigation of MUR 459 (79).

The documents requested must be sent by pre-paid certified mail to the address specified in the Subpoena within ten days of your receipt of this letter.

Please be advised that 2 U.S.C. § 437g(a) (3) (B) prohibits any person from making public the fact of "any notification or investigation" by the Commission unless respondent informs us in writing they wish the investigation to be made public.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4039.

Sincerely,



William C. Oldaker
General Counsel

Enclosure: Subpoena

00040203590

TO: Mr. F. G. Bryan, President
Trenton Saving Fund Society
P.O. Box 1201
Trenton, New Jersey 08606

Re: MMR 889 (78)

3004020598
The Federal Election Commission, pursuant to its powers set forth in 2 U.S.C. § 437d(a)(3), hereby subpoenas the documents listed below and requires that they be sent by pre-paid certified mail, addressed to the Office of General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, Attention: Gary W. Christian, and postmarked within ten days of your receipt of this subpoena:

1. Copies of transfer slips from an account of Mrs. Marjorie Bell or the front and back of checks drawn by Mrs. Marjorie Bell in the following amounts and deposited on the following dates in accounts maintained by Jeffrey Bell, including, but not limited to, account number 01-300118-5:

\$10,000	On or about June 23, 1977
\$15,000	On or about December 7, 1977
\$35,000	On or about May 26, 1978
\$15,000	On or about May 31, 1978

2. Copies of all documents relating to the opening of accounts by Jeffrey Bell at your bank.

... at the office ...
Washington, D.C. 20540

Joan D. Alkana
Joan D. Alkana
Chairman

ATTN:

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

60040203599

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Loren A. Smith, Esquire
Baskin & Sears
818 Connecticut Avenue, N.W.
Washington, D.C. 20065

Re: 202-523-1781

Dear Professor Smith:

Enclosed are subpoenas ~~duces tecum~~ issued by the Commission to your clients, Mrs. Marjorie Bell and Mr. Jeffrey Bell.

The subpoena require Mrs. Bell's and Jeffrey Bell's appearance for deposition upon oral examination and production of specified documents at the time and place stated in each subpoena.

Also enclosed are checks to cover your clients' witness fees.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4039.

Sincerely,



William C. Oldaker
General Counsel

enclosures: Subpoenas
checks

80040203699

In the Matter of

Marjorie Bell
Jeffrey Bell
Bell for Senate Committee

MUR 659 (78)

TO: Mrs. Marjorie Bell
c/o Loren A. Smith
Baskin & Seaman
818 Connecticut Avenue, N.W.
Washington, D.C. 20006

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to appear for oral deposition with regard to the Commission's investigation in MUR 659 relating to the possible use of funds loaned by you to Jeffrey Bell to make loans to the Bell for Senate Committee.

Pursuant to 2 U.S.C. § 437d(a)(4), you are hereby subpoenaed to produce your late husband's will, all records pertaining to any assets from which funds were derived to make loans to Jeffrey Bell during the period March 1977 to the present, and any letters, agreements, memoranda, or other documents relating to transfers of funds by you to Jeffrey Bell during the period March 1977 to the present.

The deposition and production of documents shall take

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1125 2 Street, N.W., Washington, D.C. 20004
November 1978

John D. ...
John D. ...
Chairman

ATTEST:

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

60040203602

In the Matter of

Marjorie Bell
Jeffrey Bell
Bell for Senate Committee

MUR 659 (78)

TO: Mr. Jeffrey Bell
c/o Loren A. Smith
Baskin & Sears
318 Connecticut Avenue, N.W.
Washington, D.C. 20006

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to appear for oral deposition with regard to the Commission's investigation in MUR 659 (78) relating to the possible use of funds provided to you by Mrs. Marjorie Bell to make loans to the Bell for Senate Committee.

Pursuant to 2 U.S.C. § 437d(a)(4), you are hereby subpoenaed to produce any letters, memoranda, agreements or other documents relating to transfers of funds from your mother, Mrs. Marjorie Bell, or loans made by you to the Bell for Senate Committee.

The deposition and production of documents shall take place at Silver & Renzie Reporting, 324 W. State Street, Trenton, New Jersey. 08618, on December 11, 1978, at 2:00 PM.

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... of the ...
... at the ...
Washington, D.C. ...
1975.

Joan D. Alkana
Joan D. Alkana
Chairman

SECRET

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

69040203604

80040303605

MONEY ORDER

Travelers Express
COMPANY, INC.
Check Without Reserve in
Cash Term Or Return

131 3578819

DATE November 21, 1978

PAY TO THE ORDER OF Mr. Jeffrey Bell

DO NOT PAY OVER FIVE HUNDRED DOLLARS

AMOUNT 4683 1\$*21.00

SUBJECT TO CONTRACT REFERRED TO ON REVERSE

Coyne W. C. L. Federal Election Comm.
ISSUANCE SIGNER FOR DRAWER Washington, D.C. 20463
ISSUANCE ADDRESS

ISSUANCE TIME
FIRST BUSINESS DAY
NATIONAL BANK
OF WASHINGTON

MONEY ORDER

Travelers Express
COMPANY, INC.
Check Without Reserve in
Cash Term Or Return

131 3578820

DATE Nov. 21, 1978

PAY TO THE ORDER OF Mrs. Marjorie Bell

DO NOT PAY OVER FIVE HUNDRED DOLLARS

AMOUNT 4683 1\$*21.00

SUBJECT TO CONTRACT REFERRED TO ON REVERSE

Coyne W. C. L. Federal Election Comm.
ISSUANCE SIGNER FOR DRAWER Washington, D. C. 20463
ISSUANCE ADDRESS

ISSUANCE TIME
FIRST BUSINESS DAY
NATIONAL BANK
OF WASHINGTON

Marjorie Ball
Jeffrey Ball
Ball for Senate Committee

CERTIFICATION

I, Marjorie W. Emons, Secretary to the Federal Election Commission, do hereby certify that on October 26, 1978, the Commission determined by a vote of 5-0 to approve the following recommendations, as set forth in the General Counsel's memorandum dated October 26, 1978, regarding the above-captioned matter:

1. Issue the subpoenae duces tecum to Mrs. Marjorie Ball and Jeffrey Ball, Attachments III and IV to the above-named memorandum. Send the letter addressed to Loren A. Smith, Esquire, Attachment VI to the above-named memorandum.
2. Issue the subpoena for the production of documents to the Trenton Saving Fund Society, Trenton, New Jersey, Attachment V to the above-named memorandum. Send the letter addressed to Mr. F. G. Breen, President, Trenton Saving Fund Society, Attachment VII to the above-named memorandum.

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

10/31/78
Date

Marjorie W. Emons
Marjorie W. Emons
Secretary to the Commission

Received in Office of Commission Secretary: 10-26-78, 4:02
Circulated on 48 hour vote basis: 10-27-78, 11:30

60040203606

FEDERAL ELECTRICITY COMMISSION

WASHINGTON, D.C. 20549

October 28, 1978

Memorandum To: The Commission

From: William C. Oldaker
General Counsel

Subject: MUR 659 (78): Jeffrey Bell-Request for Subpoenas

BACKGROUND

This matter arose from a news article which appeared in the Newark, New Jersey Sunday Star - Ledger on July 16, 1978. Statements in the article by Mr. Jeffrey Bell, a candidate for the United States Senate from New Jersey, and his campaign counsel, Professor Loren A. Smith, indicated that loans made by Bell to his principal campaign committee, the Bell for Senate Committee ("Bell Committee"), in fact consisted of funds belonging to his mother, Mrs. Marjorie Bell. According to disclosure reports, Bell had loaned his committee \$52,710 as of June 5, 1978.

On August 9 the Commission found reason to believe that Mrs. Marjorie Bell had violated 2 U.S.C. §§ 441a(a)(1)(A) and 441f, Jeffrey Bell had violated 2 U.S.C. § 441f, and the Bell Committee had violated 2 U.S.C. §§ 434(b), 441a(f) and 441f.

60040203608

- 1 -

Following an unsuccessful attempt to obtain an informal response, Orders to Answer Interrogatories were issued to Mrs. Bell and Jeffrey Bell on September 20 and served on their counsel, Professor Loren A. Smith. Professor Smith responded with the attached letter delivered to the Commission on October 6 (Attachment I). The Commission also authorized the issuance of a subpoena for bank records to the New Jersey National Bank, Trenton, New Jersey for records of deposits to the Bell Committee's account by Mrs. Bell or Jeffrey Bell. The bank's response is Attachment II.

ANALYSIS

Professor Smith objected that some of the Commission's questions to Mrs. Bell and Jeffrey Bell were overly broad and of questionable relevance to its inquiry. He therefore responded with the attached letter which explains that the funds loaned by Jeffrey Bell to the Bell Committee were derived from assets of his father's estate. According to Smith Bell's father died in March 1977 and left his estate to his wife, Mrs. Marjorie Bell. In April 1977 Mrs. Bell allegedly told Jeffrey, "You are going to receive half of this eventually. (The other half going to Jeff's sister.) Therefore, consider this yours and draw on it whenever you need to." In May 1977 Bell became a candidate for the U.S. Senate.

The letter further states that Bell "treated (the funds) as personal loans from his mother from that portion of his father's estate that he is ultimately the beneficiary of."

30040303609

This information does not resolve the central question of whether Jeffrey Bell had legal right of access to or control over the funds used to make the loans to the Bell Committee as required by 11 C.F.R. § 110.10. Although he may have had his mother's permission, we still do not know what type of assets are involved in this matter and whether Mrs. Bell took any legal steps (e.g. opening a joint bank account) prior to Jeffrey Bell's candidacy which would permit him access to or control over the funds as a matter of law.

Although respondents have not fully complied with the Commission's Order to Answer Interrogatories, we do not recommend seeking judicial enforcement of the Orders at this time. We believe a more expeditious route would be to depose both Mrs. Bell and Jeffrey Bell so that they may be questioned directly as to the assets involved and whether Mrs. Bell took any legal steps to grant Jeffrey Bell access to or control over the funds loaned to the Bell Committee. We therefore recommend the issuance of the attached subpoenas duces tecum to Mrs. Marjorie Bell and Jeffrey Bell (Attachments III & IV).

The records received pursuant to the Commission's subpoena to the New Jersey National Bank reveal that all loans by Jeffrey Bell to the Bell Committee were made with personal checks drawn on Jeffrey Bell's account at the Trenton Saving Fund Society, Trenton, New Jersey. Professor Smith's letter lists four transfers from Mrs. Bell to her son totalling \$75,000.

500403610

This evidence is not determinative of whether the funds used by Jeffrey Bell were his personal funds within the meaning of 11 C.F.R. §101.10. We therefore recommend issuing the attached subpoena for the production of documents (Attachment V) to the Trenton Saving Fund Society for copies of checks or transfer slips for the transfers from Mrs. Bell to her son.

RECOMMENDATION

1. Issue the attached subpoenas duces tecum to Mrs. Marjorie Bell and Jeffrey Bell. Send attached letter.
2. Issue the attached subpoena for the production of documents to the Trenton Saving Fund Society, Trenton, New Jersey. Send attached letter.

10/26/78 *W. J. Lee*

ATTACHMENTS

- I. Letter from Loren A. Smith
- II. Records from New Jersey National Bank
- III. Subpoena duces tecum to Mrs. Marjorie Bell
- IV. Subpoena duces tecum to Jeffrey Bell
- V. Subpoena to Trenton Saving Fund Society
- VI. Letter to Loren A. Smith
- VII. Letter to F.G. Breen, President, Trenton Saving Fund Society

00403611

PHILIP HAZEN
PHILIP J. HAZEN
DONALD L. KROGOVITZ
LESTER A. HAYS
JOHN D. BRASH
JOHN S. WARD
MEMBER OF THE BAR
MEMBER OF THE BAR

BY HAND

William G. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20543

Attention: Gary Christian

In re: MR 6581281

Dear Mr. Oldaker:

This letter is written in response to your letter of the 25th of September, and the Commission's Order of the 21st of September, both received by me on the 27th of September. I am answering in my capacity as counsel for both Jeffrey Bell and his mother, Marjorie L. Bell. As I expressed per my telephone conversation with Gary Christian of your office, on Tuesday, October 3, 1978, I feel some of the questions are not relevant to the inquiry. However, rather than get into a procedural battle over this matter and in order to expedite the resolution of this matter, we are supplying this information now even though no legal standards have yet been adopted by the Commission for what constitutes "legal right of access" to funds to which a candidate is personally entitled. We are doing this because of our belief in the good faith of the Commission, and not as any waiver of our objections to the overly broad scope and questionable relevance of some of the interrogatories in the Commission's Order.

Jeffrey Bell's father, and Marjorie Bell's husband, died in March of 1977. Shortly thereafter, the first week of April 1977, Mrs. Bell and her son had the following conversation. In substance Mrs. Bell said of the estate that had just been left to her by her husband: 'You are going to receive half of this eventually. (The other half going to Jeff's sister.) Therefore, consider this yours and draw on it whenever you need to.' At this time, Mrs. Bell was living in Akron, Ohio. In May of 1977, Jeff became a candidate for the Republican nomination to the United States Senate to New Jersey. Following

80040203612

Shelton, Requir

that Jeff drew upon funds having as their source the late father's estate. He had treated them as if they were his own from that portion of his father's estate. He is obviously the beneficiary of.

The following amounts were transferred from Mrs. Bell to her son on the respective dates:

\$10,000.....	June 23, 1977
\$15,000.....	December 7, 1977
\$35,000.....	May 26, 1978
\$15,000.....	May 31, 1978

The first transfer occurred while Mrs. Bell was still living in Ohio. The three later transfers occurred after she had moved to Michigan where Jeff's sister lives. Mrs. Bell's current address is

We hope this satisfies the Commission's Order in MUR 659(78). If we can supply any additional relevant information please let us know. In order to expedite this matter you may wish to call me at my numbers in Delaware where I am located most of the time. These are: (302) 239-7056 (Home) and (302) 478-3000 Ext. 265 (Delaware Law School).

Sincerely,

Loren A. Smith

Loren A. Smith

LAS:jf

00040203613



Office of General Counsel
Federal Election Commission
1225 K Street, N.W.
Washington, D.C. 20004
ATTENTION: Gary B. [unclear]

Dear Sir:

Attached please find copies of checks and deposit slips as follows:

- Deposit of 6-9-77 for \$100.00, \$10.00 check drawn on Trenton Savings Fund account number drawn on Jeffrey Kelly's account.
- Deposit of 6-23-77 for \$300.00, deposit slip badly overexposed. Partial photo of checks enclosed, no deposit slip.
- Deposit of 6-28-77 for \$1700.00, photo of deposit slip and check enclosed.
- Deposit of 12-14-77 for \$4200.00, photo of deposit slip and check enclosed.
- Deposit of 12-15-77 for \$2000.00, photo of deposit slip and check enclosed.
- Deposit for 1-31-78 for \$2500.00, film to light to produce image or to read information.
- Item for 5-26-78 for \$35,000.00 was credit memo for wire transfer from Trenton Savings Fund Society per David Setlax.
- Item for 6-5-78 for \$7000.00 was credit memo for wire transfer from Trenton Savings Fund Society per David Setlax.

We hope this information is of help to you.

Sincerely,

Mrs. Jeannette Bertrand

Jeannette Bertrand
Control Clerk

dd
enclosures

ATTACHMENT II (1 of 3)

80040203614

60040203616



APR 27 1977

Post For Sports Committee

100 WEST 11TH ST. 2ND FLOOR

TELEPHONE 433-0500

NO.	AMOUNT	DATE	INITIALS
	17.00		
Grand Total			17.00

NEW JERSEY NATIONAL BANK

Transfer from Savings Account

FOR DEPOSIT ONLY

DATE OF DEPOSIT

AMOUNT

INITIALS

NEW JERSEY NATIONAL BANK

Transfer from Savings Account

FOR DEPOSIT ONLY

DATE OF DEPOSIT

AMOUNT

INITIALS

II (3 of 3)

In the Matter of

Marjorie Bell
Jeffrey Bell
Bell for Senate Committee

NUR 659 (74)

TO: Mrs. Marjorie Bell
c/o Loren A. Saich
Baskin & Sears
818 Connecticut Avenue, N.W.
Washington, D.C. 20006

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to appear for oral deposition with regard to the Commission's investigation in NUR 659 relating to the possible use of funds loaned by you to Jeffrey Bell to make loans to the Bell for Senate Committee.

Pursuant to 2 U.S.C. § 437d(a)(4), you are hereby subpoenaed to produce your late husband's will, all records pertaining to any assets from which funds were derived to make loans to Jeffrey Bell during the period March 1977 to the present, and any letters, agreements, memoranda, or other documents relating to transfers of funds by you to Jeffrey Bell during the period March 1977 to the present.

The deposition and production of documents shall take

ATTACHMENT III (1 of 2)

Chairman

ATTEST:

Marjorie W. Emons
Secretary to the Commission

III (2 of 2)

In the Matter of

Marjorie Bell
Jeffrey Bell
Bell for Senate Committee

MUR 659 (78)

TO: Mr. Jeffrey Bell
c/o Loren A. Smith
Baskin & Sears
818 Connecticut Avenue, N.W.
Washington, D.C. 20006

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to appear for oral deposition with regard to the Commission's investigation in MUR 659 (78) relating to the possible use of funds provided to you by Mrs. Marjorie Bell to make loans to the Bell for Senate Committee.

Pursuant to 2 U.S.C. § 437d(a)(4), you are hereby subpoenaed to produce any letters, memoranda, agreements or other documents relating to transfers of funds from your mother, Mrs. Marjorie Bell, or loans made by you to the Bell for Senate Committee.

The deposition and production of documents shall take place
at
on

ATTACHMENT IV (1052)

... of the ...
... at the ...
... Washington, D.C.

Joan D. Albans
Chairman

Marjorie W. Eamons
Secretary to the Commission

000402036

UNITED STATES
FEDERAL ELECTION COMMISSION

TO: Mr. F. G. Breen, President
Trenton Saving Fund Society
P.O. Box 1201
Trenton, New Jersey 08602

Re: 202 455 (78)

The Federal Election Commission, pursuant to its powers set forth in 2 U.S.C. § 4376(a)(3), hereby subpoenas the documents listed below and requires that they be sent by pre-paid certified mail, addressed to the Office of General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, Attention: Gary W. Christian, and postmarked within ten days of your receipt of this subpoena:

1. Copies of transfer slips from an account of Mrs. Marjorie Bell or the front and back of checks drawn by Mrs. Marjorie Bell in the following amounts and deposited on the following dates in accounts maintained by Jeffrey Bell, including, but not limited to, account number _____

\$10,000	On or about June 23, 1977
\$15,000	On or about December 7, 1977
\$35,000	On or about May 26, 1978
\$15,000	On or about May 31, 1978

2. Copies of all documents relating to the opening of accounts by Jeffrey Bell at your bank.

ATTACHMENT I (1 of 2)

6004020362

Office of the
Federal Reserve
Washington, D.C. 20540

Joan D. Alworth
Chairman

ATTN:

Marjorie W. Emmons
Secretary to the Commission

6004030362

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Loren A. Smith, Esquire
Baskin & Sears
818 Connecticut Avenue, N.W.
Washington, D.C. 20005

Re: MUR 859 (78)

Dear Professor Smith:

Enclosed are subpoenas *duces tecum* issued by the Commission to your clients, Mrs. Marjorie Bell and Mr. Jeffrey Bell.

The subpoenas require Mrs. Bell's and Jeffrey Bell's appearance for deposition upon oral examination and production of specified documents at the time and place stated in each subpoena.

Also enclosed are checks to cover your clients' witness fees.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202)523-4039.

Sincerely,

William C. Oldaker
General Counsel

enclosures: Subpoenas
checks

ATTACHMENT VI

STATEMENT
OF WORK

We, the undersigned members of the Federal Election Commission, hereby authorize the issuance of subpoenas to the following in connection with the Commission's investigation of NUR 659 (78):

Mrs. Marjorie Bell
c/o Loren A. Smith, Esquire
Baskin & Sears
818 Connecticut Avenue, N.W.
Washington, D.C. 20006

Mr. Jeffrey Bell
c/o Loren A. Smith, Esquire
Baskin & Sears
818 Connecticut Avenue, N.W.
Washington, D.C. 20006

Mr. F. G. Breen, President
Trenton Saving Fund Society
P.O. Box 1201
Trenton, New Jersey 08606

Joan D. Aikens
Chairman

Thomas E. Harris
Commissioner

Robert O. Tiernan
Vice-Chairman

Vernon W. Thomson
Commissioner

William L. Springer
Commissioner

John W. McGarry
Commissioner

60040203624

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. F. C. Breen, President
Trenton Saving Fund Society
P.O. Box 1201
Trenton, New Jersey 08602

Re: MUR 859 (78)

Dear Mr. Breen:

Enclosed is a Subpoena for the production of certain documents issued by the Federal Election Commission in connection with its investigation of MUR 859 (78).

The documents requested must be sent by pre-paid certified mail to the address specified in the Subpoena within ten days of your receipt of this letter.

Please be advised that 2 U.S.C. § 437g(a)(3)(B) prohibits any person from making public the fact of "any notification or investigation" by the Commission unless respondent informs us in writing they wish the investigation to be made public.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4039.

Sincerely,

William C. Olsker
General Counsel

Enclosure: Subpoena

ATTACHMENT VIII

30040203625



Office of General Counsel
 Federal Election Commission
 1325 K Street, N.W.
 Washington, D.C. 20543
 ATTENTION: Gary W. [unclear]

Dear Sir:

Attached please find copies of checks and deposits as follows:

Deposit of 6-9-77 for \$130.00, \$30.00 check drawn on Trenton Savings Fund account number drawn on Jeffery Bell's account.

Deposit of 6-23-77 for \$300.00, deposit slip badly overlapped. Partial photo of checks enclosed, no deposit slip.

Deposit of 6-28-77 for \$1700.00, photo of deposit slip and check enclosed.

Deposit of 12-14-77 for \$4,200.00, photo of deposit slip and check enclosed.

Deposit of 12-15-77 for \$2000.00, photo of deposit slip and check enclosed.

Deposit for 1-31-78 for \$2500.00, film to light to produce image or to read information.

Item for 5-26-78 for \$35,000.00 was credit memo for wire transfer from Trenton Savings Fund Society per David Setlzer.

Item for 6-5-78 for \$7000.00 was credit memo for wire transfer from Trenton Savings Fund Society per David Setlzer.

We hope this information is of help to you.

Sincerely,

Mrs. Jeannette Bertrand

Jeannette Bertrand
 Control Clerk

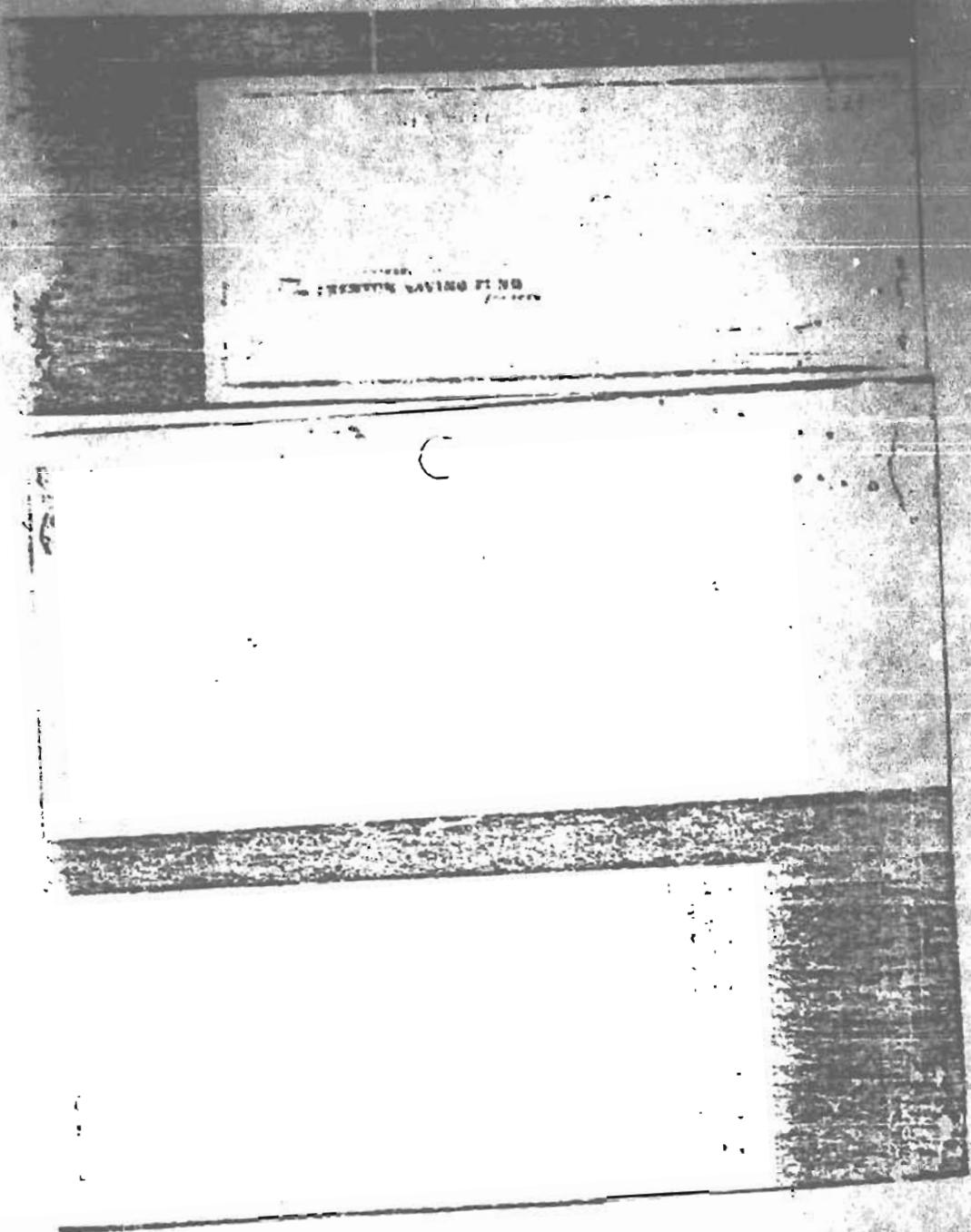
dd
 enclosures

0004030306

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100



77



NEW JERSEY NATIONAL BANK

BRIDGE PLAZA
NEWARK, N. J.

CHECK NO.

DATE

PAY TO THE ORDER OF

AMOUNT IN FIGURES

CHECKING DEPOSIT

June 9 1977

Ball For Sports, Cambridge
 248 West Third Street, Suite 108
 Trenton, New Jersey 08617

10	00
100	00
100	00

Signature: *[Handwritten Signature]*

[Faded document with illegible text]

8 0 0 4 0 2 0 3 6 3 3



NEW JERSEY NATIONAL BANK
ONE WEST STATE STREET • TRENTON, NEW JERSEY 08602

RECEIVED
FEDERAL ELECTION
COMMISSION

'78 OCT 10 PM 5:03

Office of General Counsel
Federal Election Commission
1325 "K" Street, N.W.
Washington, D.C. 20543

CERTIFIED MAIL
No. 527.178...
RETURN RECEIPT REQUESTED

Attn: Gary W. Christian

00040203634

BASKIN & SEARS

ATTORNEYS AND COUNSELLORS AT LAW
818 CONNECTICUT AVENUE, N. W.
WASHINGTON, D. C. 20006

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

Attn: Gary Christian

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

BY HAND

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

Attention: Gary Christian

In re: SEN 859(78)

Dear Mr. Oldaker:

This letter is written in response to your letter of the 25th of September, and the Commission's Order of the 21st of September, both received by me on the 27th of September. I am answering in my capacity as counsel for both Jeffrey Bell and his mother, Marjorie L. Bell. As I expressed per my telephone conversation with Gary Christian of your office, on Tuesday, October 3, 1978, I feel some of the questions are not relevant to the inquiry. However, rather than get into a procedural battle over this matter and in order to expedite the resolution of this matter, we are supplying this information now even though no legal standards have yet been adopted by the Commission for what constitutes "legal right of access" to funds to which a candidate is personally entitled. We are doing this because of our belief in the good faith of the Commission, and not as any waiver of our objections to the overly broad scope and questionable relevance of some of the interrogatories in the Commission's Order.

Jeffrey Bell's father, and Marjorie Bell's husband, died in March of 1977. Shortly thereafter, the first week of April 1977, Mrs. Bell and her son had the following conversation. In substance Mrs. Bell said of the estate that had just been left to her by her husband: 'You are going to receive half of this eventually. (The other half going to Jeff's sister.) Therefore, consider this yours and draw on it whenever you need to.' At this time, Mrs. Bell was living in Akron, Ohio. In May of 1977, Jeff became a candidate for the Republican nomination to the United States Senate to New Jersey. Following

8004020363

...Jeff drew upon funds having no other source than that portion of ...
...the beneficiary of.

The following amounts were transferred to her son on the respective dates:

- \$10,000.....June 13, 1977
- \$15,000.....December 19, 1977
- \$35,000.....May 26, 1978
- \$15,000.....May 31, 1978

The first transfer occurred while Mrs. Ball was still living in Ohio. The three later transfers occurred after she had moved to Michigan where Jeff's sister lives.

We hope this satisfies the Commission's Order in MUR 650(78). If we can supply any additional relevant information please let us know. In order to expedite this matter you may wish to call me at my numbers in Delaware where I am located most of the time. These are: (302) 239-7056 (Home) and (302) 478-3000 Ext. 265 (Delaware Law School).

Sincerely,

Loren A. Smith

Loren A. Smith

LAS:jf

00040203030

CHARLES HALL
BEFORE SENATE COMMITTEE

Loren A. Smith, Esquire
Baskin & Sears
618 Connecticut Avenue, N.W.
Washington, D.C. 20006

Re: H.R. 532 (1971)

Dear Professor Smith:

This is in response to your letter of August 22, 1973, concerning the Commission's investigation of possible violations of the Act by your clients Mr. Jeffrey Bell, Mrs. Marjorie Bell and the Bell for Senate Committee.

You inquire whether the Commission has adopted formal standards for determining the existence of a candidate's legal right of access to or control over funds in the context of 11 C.F.R. §110.10(b). Such standards would depend upon the nature of the asset or account concerned and its location. It is therefore impossible for the Commission to state what factors would be determinative without a full description of the asset or account and its location.

The Commission is under a duty to investigate this matter expeditiously. To do so we must have the answers to the questions posed informally to your clients in our previous letters. To insure production of this information, the Commission has issued the enclosed Orders to Answer Interrogatories to Mrs. Marjorie Bell and Mr. Jeffrey Bell. The answers to the questions in the Attachment to each Order must be submitted within ten days of your receipt of these Orders.

W. C. [Signature]

William C. [Name]
General Counsel

Enclosures:

Orders and Attachments

cc: Loren A. Daish, Esquire
Los Angeles
November 1973



The attached Subpoena and Orders, dated
September 20, 1975, have been signed and
dated.

00040703

- ATTACHMENTS:**
1. Subpoena (Wallace)
2. 2 Orders (M. Bell & J. Bell)



TO: Mr. Roy Bell
c/o A. Smith, Reprise
Media, Inc.
225 Constitution Avenue, N.W.
Washington, D. C. 20045

PURSUANT to the authority set forth in Section 4373(a)(1)
of Title 2, United States Code, and in furtherance of its investi-
gation of the above-captioned matter, the Federal Election
Commission hereby orders you to submit written answers to the
attached interrogatories. The answers must be submitted under
oath, within (10) days of your receipt of this order, to the
Federal Election Commission, 1325 K Street, N.W., Washington, D.C.
20463, Attention: Office of the General Counsel.

WHERE the Chairman of the Federal Election Commission has
hereunto set her hand at Washington, D. C. on this, the 21st day
of September, 1978.

Joan D. Alkens
Joan D. Alkens
Chairman

ATTEST:

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

1. According to an article published in the New Jersey Star Ledger on July 28, 1978, your personal financial disclosure statement filed with the Secretary of the Senate lists no assets except for a \$6,200 debt owed you by the Bell for Senate Committee.

(a) Is this true?

(b) Please provide a copy of your personal financial disclosure statement.

2. List all accounts at financial institutions maintained in your name or to which you have access. Give account numbers, type of account, and the name and address of the financial institution at which the account is maintained.

3. According to reports filed with the Federal Election Commission you have made loans to the Bell for Senate Committee totalling \$52,710 as of June 5, 1978. You are quoted in the Star - Ledger article as saying the money for these loans came from "family loans." Did the funds used to make any of these loans come from another person? If so, answer the following:

(a) Itemize all loans and contributions made in your name to the Bell for Senate Committee. In each case state the original source (including name, address, and relationship) of the funds used to make the loan or contribution and the name and address of the financial

00040003641

...of the ...

(b) In each case where the original source of the funds used to make loans or contributions in your name to the Bell Committee was a person other than yourself, describe the circumstances and provide copies of any documents which established any right of access to or control over these funds on your part.

4. What is Mrs. Marjorie Bell's current mailing address and telephone number?

00040203642

In the Matter of

Mrs. Marjorie Bell
Jaffrey Bell
Bell for Senate Committee

TO: Mrs. Marjorie Bell
c/o Loren A. Smith, Esquire
Baskin & Sears
818 Connecticut Avenue, N.W.
Washington, D.C. 20004

PURSUANT to the authority set forth in Section 4370(a)(1) of Title 2, United States Code, and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the attached interrogatories. The answers must be submitted under oath, within ten (10) days of your receipt of this Order, to the Federal Election Commission, 1325 K Street, N.W., Washington, D. C. 20463, Attention: Office of the General Counsel.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set her hand at Washington, D.C. on this, the *21st* day of September, 1978.

Joan D. Aikens
Joan D. Aikens
Chairman

ATTEST:

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

1. According to an article which appeared in the Newark, New Jersey Sunday Star - Ledger on July 16, 1978, you have made loans and gifts of money to Jeffrey Bell. Is this true? If so, please answer the following questions:

(a) What was the total amount of loans and gifts of money or other assets (such as real property, stocks, bonds, etc.) you made to Jeffrey Bell each year for 1974, 1975, and 1976. What was the amount of the largest single loan or other asset you made to Jeffrey Bell in each of these years? What was the purpose of these loans and/or gifts?

(b) Itemize all advances, loans, and gifts of money or other assets made by you to your son Jeffrey during the period January 1, 1977, to June 30, 1978. Provide copies of any documents in your possession, including checks, which concern such advances, loans, or gifts.

2. (a) Describe any and all documents which give your son Jeffrey any right of access to or control over any of your assets;

(b) Provide us with copies of any such documents in your possession.

00040303644

60040303645

3. Have you made any contributions, advances, loans, or gifts of money to the Bell for Senate Committee? If so, describe each such payment, and provide copies of all documents, including checks, in your possession which concern such payments.
4. To make the above loans, advances, or gifts of money to either Jeffrey Bell or the Bell for Senate Committee, did you borrow money from any person or financial institution? If so, describe the details of each such loan and provide copies of notes signed to secure these loans.

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John D. Wallace, President
New Jersey National Bank
1 West State Street
Trenton, New Jersey 08602

Re: MUR 859 (78)

Dear Mr. Wallace:

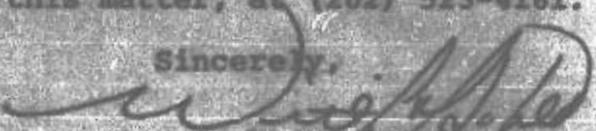
Enclosed is a Subpoena for the production of certain documents issued by the Federal Election Commission in connection with its investigation of MUR 859 (78).

The documents requested must be sent by pre-paid certified mail to the address specified in the Subpoena within ten days of your receipt of this letter.

Please be advised that 2 U.S.C. §437g(a)(3)(B) prohibits any person from making public the fact of "any notification or investigation" by the Commission unless respondent informs us in writing that they wish the investigation to be made public.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4161.

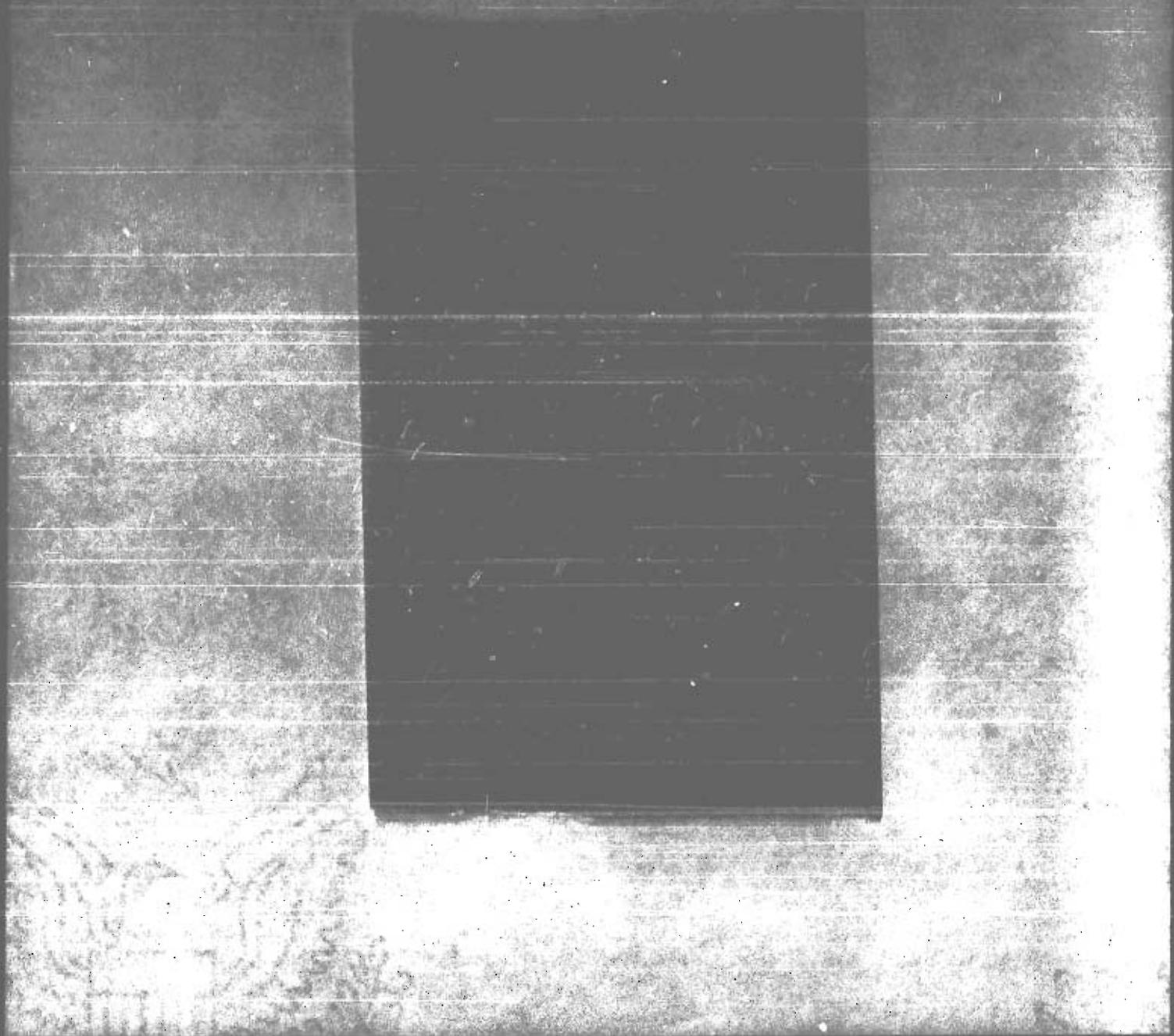
Sincerely,



William C. Olicker
General Counsel

Enclosure

Subpoena



Re: NR 45278

The Federal Election Commission, pursuant to its powers set forth in 2 U.S.C. 4478(a)(3), hereby subpoenas the documents listed below and requires that they be sent by pre-paid certified mail, addressed to the Office of General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, Attention: Gary W. Christian, and postmarked within ten days of your receipt of this subpoena:

Copies of the front and back of all checks drawn by Jeffrey Bell or Marjorie Bell deposited in the account of the Bell for Senate Committee during the period June 1, 1977, to June 31, 1978, including but not limited to the following:

Date of Check (On or About)	Amount
June 9, 1977	\$ 10.00
June 21, 1977	300.00
June 27, 1977	1,700.00
December 14, 1977	4,200.00
December 15, 1977	2,000.00
January 31, 1978	2,500.00
May 26, 1978	35,000.00
June 5, 1978	7,000.00

The Federal Election
Office of the Commission
this 21st day of September, 1954.

Joan D. Atkins
Joan D. Atkins
Chairman

ATTEST:

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

80040203669

Mrs. Marjorie Bell
Federal Bell
Bell for Senate Committee

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on September 14, 1978, the Commission determined by a vote of 5 - 0 to adopt the recommendation of the General Counsel to take the following actions in the above-captioned matter:

1. Authorize the issuance of Orders to Answer Interrogatories to Mrs. Marjorie Bell and Jeffrey Bell.
2. Send the letters attached to the General Counsel's Report of August 29, 1978, to Loren A. Smith, Esquire, and John D. Wallace
3. Authorize the issuance of a Subpoena to the New Jersey National Bank, Trenton, New Jersey.

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

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

80040003680

Mrs. Marjorie Bell
Jeffrey Bell
Bell for Senate Committee

GENERAL COUNSEL'S REPORT

BACKGROUND

30040703682

This matter arose from a newspaper article which appeared in the Newark, New Jersey Sunday Star - Ledger on July 16, 1978. The article contained information which indicated that loans made by U. S. Senate candidate Jeffrey Bell to his principal campaign committee, the Bell for Senate Committee ("Bell Committee"), in fact consisted of funds provided by his mother, Mrs. Marjorie Bell. A review of the Bell Committee reports showed that Jeffrey Bell had loaned his campaign a total of \$52,710 as of June 5, 1978.

Acting on this information, the Commission voted on August 9 to find reason to believe that Mrs. Marjorie Bell had violated 2 U.S.C. §§441a(a)(1)(A) and 441f, Jeffrey Bell had violated 2 U.S.C. §441f, and the Bell Committee had violated 2 U.S.C. §§434(b), 441a(f), and 441f. Notification of the Commission's action was mailed to respondents on August 10, 1978. The notification letters enclosed sets of questions to be answered by Mrs. Marjorie Bell and Jeffrey Bell.

EVIDENCE

In response to our reason to believe letters, we received a letter dated August 22 from Professor Loren A. Smith (Attachment

30040203653

In his letter Professor Smith states that, prior to becoming a candidate, Jeffrey Ball had legal right of access to or control over the funds used to make the loans in question. Professor Smith does not give the basis of this statement, but instead asks whether the Commission has formally adopted determinative standards for the term "legal right of access to or control over" funds as used in 11 C.F.R. §118.10(b). He then states, "if we can obtain this information I believe we can satisfy the Commission and its staff that Mr. Ball's conduct was completely proper under the applicable law and regulations." We are intrigued by this statement because Professor Smith's previous sentence implies that the term "legal right of access to or control over" is unclear to him.

As we state in our attached proposed response to Professor Smith, legal right of access to or control over funds and assets is dependent upon the nature and location of the account or asset concerned. For example, while access to or control over most bank accounts would be governed largely by state law, access to or control over most stock holdings would be principally governed by Federal law. It is therefore impossible to provide determinative standards without knowing the particular account or asset concerned and its location.

PHILIP J. HARRIS
DONALD L. BISHOP
LESTER A. HAYS
JOHN P. HARRIS
JOHN S. HARRIS
*LIMITED BY FL. RULE
*LIMITED BY FL. RULE

Gary Christian, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MR 459 (78)

Dear Mr. Christian:

I have been out of town for several days and just received the copies of the letters you sent to our clients, the Bell for Senate Committee, Mr. Jeffrey Bell and Mrs. Marjorie Bell. We will be acting as attorneys for all three of these parties and as the matter really represents one cause, we would appreciate all correspondence being sent to our firm's address in care of myself.

I have looked over the questions you have asked of Mr. Bell and his mother, Mrs. Marjorie Bell. I think this matter may be expeditiously disposed of by our presenting our legal position and then asking a counter question. Mr. Bell loaned his Senate Campaign Committee approximately \$52,710 as of June 5, 1978 as you noted. These loans were made from funds to which he had a legal right of access before he became a federal candidate. In order to resolve the inquiry, it seems to us the only question that need be looked into is whether, in fact, he did have this legal right of access. We would like to know if the Commission has established any formal rules on this subject regarding what demonstrates a legal right of access. If we can obtain this information, I believe we can satisfy the Commission and its staff that Mr. Bell's conduct was completely proper under the applicable law and regulations.

ATTACHMENT I (1 of 2)

Most of the time I am located in
at Delaware Law School and it is
convenient if you could manage to send your letters to my
letters that you send to our office on this matter to my
address. That address is:

Loren A. Smith, Esq.
Lothlorian
Yorklyn, Delaware 19382

If you have to reach me by phone to discuss this matter,
you can reach me either at my law school number (302) 478-1000,
extension 265, or at my home where I also have an office
(302) 239-7056.

I hope we can clear this matter up expeditiously.
I await your response.

Sincerely,

Loren A. Smith/jf

Loren A. Smith

IAS:jf

cc: Mr. Jeffrey Bell

I(2092)

Loren A. Smith,
Saskin & Sears
515 Connecticut Avenue, N.W.
Washington, D.C. 20001

Dear Professor Smith:

This is in response to your letter of August 22, 1978, concerning the Commission's investigation of possible violations of the Act by your clients Mr. Jeffrey Bell, Mrs. Marjorie Bell and the Bell for Senate Committee.

You inquire whether the Commission has adopted formal standards for determining the existence of a candidate's legal right of access to or control over funds in the context of 11 C.F.R. §110.10(b). Such standards would depend upon the nature of the asset or account concerned and its location. It is therefore impossible for the Commission to state what factors would be determinative without a full description of the asset or account and its location.

The Commission is under a duty to investigate this matter expeditiously. To do so we must have the answers to the questions posed informally to your clients in our previous letters. To insure production of this information, the Commission has issued the enclosed Orders to Answer Interrogatories to Mrs. Marjorie Bell and Mr. Jeffrey Bell. The answers to the questions in the Attachment to each Order must be submitted within ten days of your receipt of these Orders.

ATTACHMENT II (1 of 2)

Enclosure:

Orders and Arrangements

cc: Loren A. Smith, Executive
Lothlorian
Yorklyn, Delaware 19734

600040203658

60040703089

We, the undersigned members of the Federal Election Commission, hereby authorize the issuance of Orders to Answer Interrogatories in the above-captioned matter to Mrs. Marjorie Bell and Mr. Jeffrey Bell to be served on their counsel at the following address:

Loren A. Smith, Esquire
Baskin & Sears
618 Connecticut Avenue, N.W.
Washington, D.C. 20006

We also hereby authorize the issuance of a Subpoena

to:

Mr. John D. Wallace, President
New Jersey National Bank
1 West State Street
Trenton, New Jersey 08608

Joan D. Aikens
Chairman

Robert O. Tiernan
Vice-Chairman

William L. Springer
Commissioner

Thomas E. Harris
Commissioner

Vernon W. Thomson
Commissioner

Neil O. Staebler
Commissioner

In the Matter of

Mrs. Marjorie Bell
Jeffrey Bell
Bell for Senate Campaign

TO: Mrs. Marjorie Bell
c/o Loren A. Smith, Register
Baskin & Sears
818 Connecticut Avenue, N.W.
Washington, D.C. 20008

30040305660

PURSUANT to the authority set forth in Section 5375(a) (2) of Title 2, United States Code, and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the attached interrogatories. The answers must be submitted under oath, within ten (10) days of your receipt of this Order, to the Federal Election Commission, 1325 K Street, N.W., Washington, D. C. 20463, Attention: Office of the General Counsel.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set her hand at Washington, D.C. on this, the day of August, 1978.

Joan D. Aikens
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

ATTACHMENT III (1 of 3)

1. According to an article which appeared in the *New Jersey Sunday Star-Ledger* on July 16, 1978, you have made loans and gifts of money to Jeffrey Bell. Is this true? If so, please answer the following questions:

(a) What was the total amount of loans and gifts of money or other assets (such as real property, stocks, bonds, etc.) you made to Jeffrey Bell each year for 1974, 1975, and 1976. What was the amount of the largest single loan or other asset you made to Jeffrey Bell in each of these years? What was the purpose of these loans and/or gifts?

(b) Itemize all advances, loans, and gifts of money or other assets made by you to your son Jeffrey during the period January 1, 1977, to June 30, 1978. Provide copies of any documents in your possession, including checks, which concern such advances, loans, or gifts.

2. (a) Describe any and all documents which give your son Jeffrey any right of access to or control over any of your assets;

(b) Provide us with copies of any such documents in your possession.

80040203661

where the account is or was located.

3. Have you made any contributions, advances, loans, or gifts of money to the Bell for Senate Committee? If so, describe each such payment and provide copies of all documents, including checks, in your possession which concern such payments.

4. To make the above loans, advances, or gifts of money to either Jeffrey Bell or the Bell for Senate Committee, did you borrow money from any person or financial institution? If so, describe the details of each such loan and provide copies of notes signed to secure these loans.

80040203662

In the Matter of

Ms. Marjorie W. Emmons
Jeffrey Bell
Bell for Senate

TO: Mr. Jeffrey Bell
c/o Loren A. Babin, Attorney
Babin & Babin
518 Connecticut Avenue, N.W.
Washington, D. C. 20004

30090703663

PURSUANT to the authority set forth in Section 4370(a)(3) of Title 2, United States Code, and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the attached interrogatories. The answers must be submitted under oath, within ten (10) days of your receipt of this Order, to the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, Attention: Office of the General Counsel.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set her hand at Washington, D. C. on this, the _____ day of August, 1978.

Joan D. Aikens
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

ATTACHMENT IV (1 of 3)

- 30040203664
1. According to an article which appeared in the New Jersey Star-Ledger on July 15, 1978, your personal financial disclosure statement filed with the Secretary of the Senate lists no assets except for a \$6,200 debt owed you by the Bell for Senate Committee.
 - (a) Is this true?
 - (b) Please provide a copy of your personal financial disclosure statement.
 2. List all accounts at financial institutions maintained in your name or to which you have access. Give account numbers, type of account, and the name and address of the financial institution at which the account is maintained.
 3. According to reports filed with the Federal Election Commission you have made loans to the Bell for Senate Committee totalling \$52,710 as of June 5, 1978. You are quoted in the Star-Ledger article as saying the money for these loans came from "family loans." Did the funds used to make any of these loans come from another person? If so, answer the following:
 - (a) Itemize all loans and contributions made in your name to the Bell for Senate Committee. In each case state the original source (including name, address, and relationship) of the funds used to make the loan or contribution and the name and address of the financial

(2) In each case where the original source of the funds used to make loans or contributions in your name to the Bell Committee was a person other than yourself, describe the circumstances and provide copies of any documents which established any right of access to or control over these funds on your part.

4. What is Mrs. Marjorie Bell's current mailing address and telephone number?

60040703665

Mr. John N. Wallace, Esquire
New Jersey National Bank
1 Park Plaza Building
Newark, New Jersey 07102

Re: MUR 639(78)

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The Federal Election Commission, pursuant to its powers set forth in 2 U.S.C. 5437d(a)(3), hereby subpoenas the documents listed below and requires that they be sent by pre-paid certified mail, addressed to the Office of General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, Attention: Gary W. Christian, and postmarked within ten days of your receipt of this subpoena:

Copies of the front and rear of all checks drawn by Jeffrey Bell or Marjorie Bell deposited in the account of the Bell for Senate Committee during the period June 1, 1977, to June 31, 1978, including but not limited to the following:

Date of Check (On or About)	Amount
June 9, 1977	\$ 10.00
June 21, 1977	300.00
June 27, 1977	1,700.00
December 14, 1977	4,200.00
December 15, 1977	2,000.00
January 31, 1978	2,500.00
May 26, 1978	35,000.00
June 5, 1978	7,000.00

600403657

Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Mr. John D. Wallace
New Jersey National Bank
1 West State Street
Trenton, New Jersey 08602

Re: MUR 559 (78)

Dear Mr. Wallace:

Enclosed is a Subpoena for the production of certain documents issued by the Federal Election Commission in connection with its investigation of MUR 559 (78).

The documents requested must be sent by pre-paid certified mail to the address specified in the Subpoena within ten days of your receipt of this letter.

Please be advised that 2 U.S.C. §437g(a) (3) (B) prohibits any person from making public the fact of "any notification or investigation" by the Commission unless respondent informs us in writing that they wish the investigation to be made public.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4161.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Subpoena

ATTACHMENT VI

00040303660

PHOTOGRAPHED
SERIALIZED
INDEXED
FILED
MAY 1978
FBI - WASHINGTON

Gary Christian, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MSA 88-178

Dear Mr. Christian:

I have been out of town for several days and just received the copies of the letters you sent to our clients, the Bell for Senate Committee, Mr. Jeffrey Bell and Mrs. Marjorie Bell. We will be acting as attorneys for all three of these parties and as the matter really represents one cause, we would appreciate all correspondence being sent to our firm's address in care of myself.

I have looked over the questions you have asked of Mr. Bell and his mother, Mrs. Marjorie Bell. I think this matter may be expeditiously disposed by our presenting our legal position and then asking a counter question. Mr. Bell loaned his Senate Campaign Committee approximately \$52,710 as of June 5, 1978 as you noted. These loans were made from funds to which he had a legal right of access before he became a federal candidate. In order to resolve the inquiry, it seems to us the only question that need be looked into is whether, in fact, he did have this legal right of access. We would like to know if the Commission has established any formal rules on this subject regarding what demonstrates a legal right of access. If we can obtain this information, I believe we can satisfy the Commission and its staff that Mr. Bell's conduct was completely proper under the applicable law and regulations.

30040303669

at the time I was...
...you could...
...you send to my...
...That address is:

Loren A. Smith, Esq.
Lothlorian
Yorklyn, Delaware 19382

If you have to reach me by phone to discuss this matter,
you may reach me either at my law school number (302) 872-3000,
extension 224, or at my home where I also have an office
(302) 232-7054.

I hope we can clear this matter up expeditiously.
I await your response.

Sincerely,

Loren A. Smith/jf

Loren A. Smith

LAS:jf
cc: Mr. Jeffrey Bell

60040303630

SEARCHED
SERIALIZED
INDEXED

APR 29 1982
FBI - WASH DC

80040103671

BASKIN & SEARS

ATTORNEYS AND COUNSELLORS AT LAW

818 CONNECTICUT AVENUE, N. W.

WASHINGTON, D. C. 20006

FEDERAL ELECTION
COMMISSION

'78 AUG 23 AM 11:33



Gary Christian, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

**CERTIFIED MAIL
RETURN RECEIPT MAIL**

Mrs. Marjorie Bell
c/o Mr. Jeffrey Bell
Bell for Senate Committee
240 W. State Street
Trenton, New Jersey 08608

Re: MR 443 (78)

Dear Mrs. Bell:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically it appears that you may have violated 2 U.S.C. §441a(a)(1)(A) by making loans to the Bell for Senate Committee ("Bell Committee") in excess of the individual contribution limitation of \$1,000 per election and 2 U.S.C. §441f by making these contributions in the name of your son Jeffrey Bell.

Under 11 C.F.R. §110.10 unless your son Jeffrey had legal right of access to or control over the funds used to make the loans in question at the time he became a candidate, such loans would be considered as contributions by you to the Bell for Senate Committee. 2 U.S.C. §441f prohibits the making of contributions to a candidate or committee in the name of another.

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



The Commission is under a duty to investigate
your complaint. Therefore, your response
should be received within ten days after your receipt of this
letter.

If you have any questions, please contact Gary [Name],
the staff member assigned to this matter, at (202) [Number].

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

Enclosure: Questions

QUESTIONS

1. According to an article which appeared in the Newark, New Jersey Sunday Star - Ledger on July 16, 1978, you have made loans and gifts of money to Jeffrey Bell. Is this true? If so, please answer the following questions:

- (a) What was the total amount of loans and gifts of money or other assets (such as real property, stocks, bonds, etc.) you made to Jeffrey Bell each year for 1974, 1975, and 1976. What was the amount of the largest single loan or gift of money or other asset you made to Jeffrey Bell in each of these years? What was the purpose of these loans and/or gifts?
- (b) Itemize all advances, loans, and gifts of money or other assets made by you to your son Jeffrey during the period January 1, 1977, to June 30, 1978. Provide copies of any documents in your possession, including checks, which concern such advances, loans, or gifts.

- (a) Describe in detail any such account, and provide copies of any such documents in your possession.
- (b) Provide me with copies of any such documents in your possession.
- (c) Regarding any such account described in (a) or (b) above, provide the account name and number, and the name and address of the financial institution where the account is or was located.

3. Have you made any contributions, advances, loans, or gifts of money to the Bell for Senate Committee? If so, itemize each such payment and provide copies of all documents, including checks, in your possession which concern such payments.
4. To make the above loans, advances, or gifts of money to either Jeffrey Bell or the Bell for Senate Committee, did you borrow money from any person or financial institution? If so, describe the details of each such loan and provide copies of notes signed to secure these loans.

RECEIVED MAIL

FEDERAL ELECTION COMMISSION

Mr. Jeffrey Bell
Bell for Senate Committee
240 W. State Street, 3700
Trenton, New Jersey 08602

Dear Mr. Bell:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe you violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specially it appears that you may have violated 2 U.S.C. §441f by making loans to the Bell for Senate Committee ("Bell Committee") which in fact consisted of funds provided by your mother, Mrs. Marjorie Bell. We have numbered this matter MUR 659 (76).

Under 11 C.F.R. §110.10 unless you had legal right of access to or control over the funds used to make the loans in question at the time you became a candidate, such loans would be considered as contributions to the Bell Committee by Mrs. Marjorie Bell. 2 U.S.C. §441f prohibits the making of contributions in the name of another and knowingly permitting one's name to be used to effect such a contribution.

We have enclosed a letter to your mother notifying her of the Commission's findings as regards her possibly having violated the Act. As we do not have your mother's current mailing address we would appreciate your forwarding the enclosed letter to her.

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

Please submit answers to the enclosed questions. 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 Gary Christian, the staff member assigned to this matter, at (202) 523-4141.

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

Enclosure: Questions

TO: Mr. Jeffrey Bell

NR 439

QUESTIONS

1. According to an article which appeared in the Newark, New Jersey Sunday Star - Ledger on July 16, 1978, your personal financial disclosure statement filed with the Secretary of the Senate lists no assets except for a \$6,200 debt owed you by the Bell for Senate Committee.
 - (a) Is this true?
 - (b) Please provide a copy of your personal financial disclosure statement.

2. List all accounts at financial institutions maintained in your name or to which you have access. Give account numbers, type of account, and the name and address of the financial institution at which the account is maintained.

3. According to reports filed with the Federal Election Commission you have made loans to the Bell for Senate Committee totalling \$52,710 as of June 5, 1978. You are quoted in the Star - Ledger article as saying the money for these loans came from "family loans." Did the funds used to make any of these loans come from another person? If so, answer the following:

(a) Itemize all loans and contributions made in your name to the Bell for Senate Committee. In each case state the original source (including name, address, and relationship) of the funds used to make the loan or contribution and the name and address of the financial institution and account number on which the check for each loan or contribution was drawn. Provide copies of any documents in your possession including checks concerning these loans or contributions.

(b) In each case where the original source of the funds used to make loans or contributions in your name to the Bell Committee was a person other than yourself, describe the circumstances and provide copies of any documents which established any right of access to or control over these funds on your part.

4. What is Mrs. Marjorie Bell's current mailing address and telephone number?

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20543

TELEPHONE (202) 453-5300

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Mr. Andrew P. Napolitano,
Bell for Senate Committee
240 W. State Street, 5708
Trenton, New Jersey 08608

NO. 100-101701

Dear Mr. Napolitano:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe the Bell for Senate Committee ("Bell Committee") may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically it appears that your committee may have violated 2 U.S.C. §441a(f) by knowingly accepting contributions (in the form of loans) from Mrs. Marjorie Bell in excess of the individual contribution limitation of 2 U.S.C. §441a(a)(1)(A); 2 U.S.C. §441f by knowingly accepting these contributions from Mrs. Bell in the name of her son, Jeffrey Bell; and 2 U.S.C. §434(b) by failing to report the actual source of these contributions.

Under 11 C.F.R. §110.10, unless Jeffrey Bell had legal right of access to or control over the funds used to make the loans in question at the time he became a candidate, such loans are considered to be contributions by Mrs. Bell to your committee and as such are subject to the contribution limitations of the Act. 2 U.S.C. §441f prohibits a candidate or political committee from knowingly accepting a contribution made in the name of another.

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

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

If you have any questions please contact Gary Christian, the staff member assigned to this matter, at (202) 573-4151.

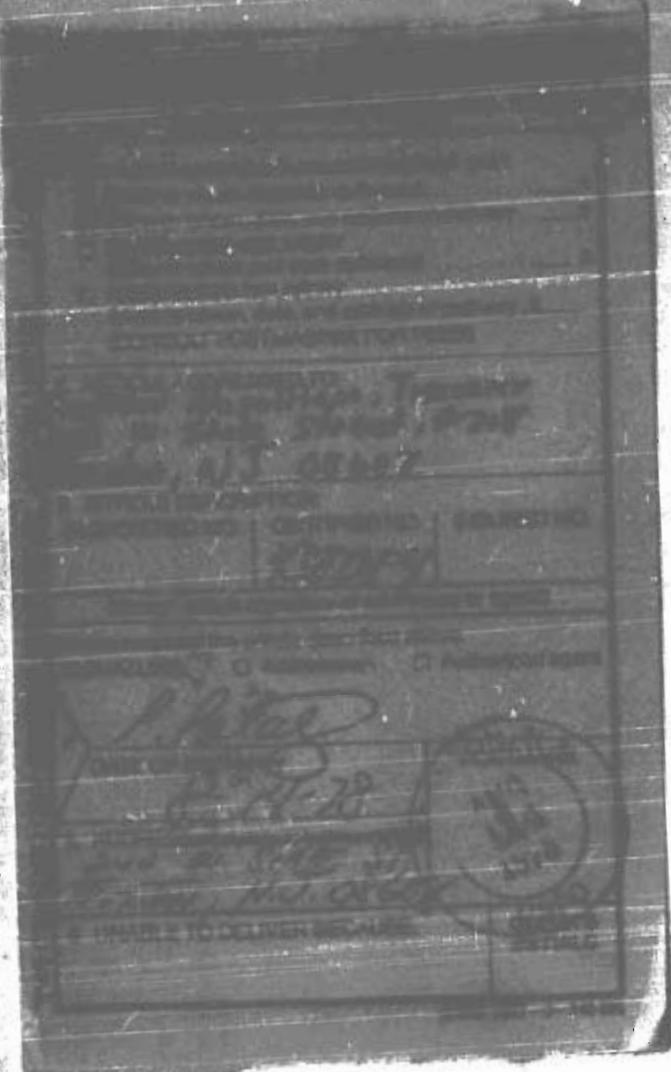
This matter will remain confidential in accordance with 2 U.S.C. §437g(x)(3)(B) unless you notify the Commission in writing that you wish this investigation to be made public.

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



Mrs. Marjorie Bell
Jeffrey Bell
Bell for Senate Committee

CERTIFICATION

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

1. Find reason to believe Mrs. Marjorie Bell violated 2 U.S.C. §441a(a)(1)(A) by making contributions to the Bell for Senate Committee in excess of \$1,000 per election and 2 U.S.C. §441f by making these contributions in the name of another.
2. Find reason to believe Jeffrey Bell violated 2 U.S.C. §441f by knowingly permitting his name to be used to effect contributions in the name of another to the Bell for Senate Committee.
3. Find reason to believe the Bell for Senate Committee violated 2 U.S.C. §441a(f) by knowingly accepting contributions from Mrs. Marjorie Bell in excess of the limits of 2 U.S.C. §441a(a)(1)(A); 2 U.S.C. §441f by knowingly accepting these contributions in the name of Jeffrey Bell; and 2 U.S.C. §434(b) by failing to report the actual source of these contributions.

20040203692

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Margaret W. Emerson

Margaret W. Emerson
Secretary to the Commission

Received in Office of Commission Secretary: 8-7-78, 10:48
Circulated on 48 hour vote basis: 8-7-78, 3:00

SOURCE OF MATTER: INSTANTLY GENERATED

RESPONDENT'S NAME: 1. Mrs. Marjorie Bell
2. Jeffrey Bell
3. Bell for Senate Committee

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

INTERNAL REPORTS CHECKED: Committee Reports

FEDERAL AGENCIES CHECKED: None

GENERATION OF MATTER

This matter arose from a newspaper article (Attachment I) which appeared in the Newark, New Jersey Sunday Star - Ledger on July 16, 1978. In the article Professor Loren Smith, Bell for Senate Committee ("Bell Committee") counsel, states that loans made to the Bell Committee by United States Senate candidate Jeffrey Bell in fact consisted of funds given to Bell by his mother, Mrs. Marjorie Bell. Acting on the attached Memorandum from the General Counsel, (Attachment II) the Commission voted to open a MUR in this matter on July 26, 1978.

PRELIMINARY ANALYSIS

A review of the Bell Committee reports shows that Jeffrey Bell has loaned his principal campaign committee a total of \$52,710. These loans are itemized in Attachment III.

According to Professor Smith's statement in the newspaper article, these funds in fact came from the candidate's mother, Mrs. Marjorie Bell. Judging from his discussion in the article, Professor Smith believes that 2 U.S.C. §441a(a)(1)(A) does not apply to immediate family members of a candidate. For reasons fully discussed in our Memorandum (Attachment II) we disagree with this interpretation.

A candidate may make unlimited expenditures from his personal funds (11 C.F.R. §110.10(a)). These personal funds are defined to include funds of a candidate's immediate family members which, at the time he became a candidate, he "had legal right of access to or control over ..." (11 C.F.R. §110.10(b)).

The Bell Committee's financial statement filed with the Secretary of the Senate listed no assets other than a \$1,000 bank account for smaller loans. If the disclosure raised the question as to whether Bell had legal rights in any of his mother's assets at the time he obtained access or control did not exist, the loans, which were made in violation of 2 U.S.C. §431(e)(1)(A), would be considered as contributions made to the Bell Committee and as such limited to \$1,000 per election under 2 U.S.C. §441a(a)(1)(A). Since the loans were made in Mrs. Bell's name, Mrs. Bell may also have violated 2 U.S.C. §441f by making contributions in the name of another.

In this case Jeffrey Bell would also be in violation of 2 U.S.C. §441f by having knowingly permitted his name to be used to effect the making of a contribution in the name of another.

It is fair to assume that the Bell Committee was aware of the candidate's impecunious financial status, at the very least after the filing of his personal financial statement. In this context we note that the two largest loans, totalling \$24,000, were made after the statement was filed. It therefore appears that the Bell for Senate Committee may have violated 2 U.S.C. §441a(f) by knowingly accepting contributions from Mrs. Bell in excess of the limitations of 2 U.S.C. §441a(a)(1)(A) and 2 U.S.C. §441f by knowingly accepting contributions in the name of another. Failure to accurately report the source of these loans would also be a violation of 2 U.S.C. §434(b).

RECOMMENDATION

1. Find reason to believe Mrs. Marjorie Bell violated 2 U.S.C. §441a(a)(1)(A) by making contributions to the Bell for Senate Committee in excess of \$1,000 per election and 2 U.S.C. §441f by making these contributions in the name of another. Send attached letter.
2. Find reason to believe Jeffrey Bell violated 2 U.S.C. §441f by knowingly permitting his name to be used to effect contributions in the name of another to the Bell for Senate Committee. Send attached letter.
3. Find reason to believe the Bell for Senate Committee violated 2 U.S.C. §441a(f) by knowingly accepting contributions from Mrs. Marjorie Bell in excess of the limits of 2 U.S.C. §441a(a)(1)(A); 2 U.S.C. §441f by knowingly accepting these contributions in the name of Jeffrey Bell; and 2 U.S.C. §434(b) by failing to report the actual source of these contributions. Send attached letter.

New York Times

Bell disputes limit on kin contributions

By DAVID WALSH

Federal Election Commission (FEC) regulations limiting campaign contributions from family members to a candidate are being disputed by Jeffrey Bell, the Republican nominee for U.S. Senate from New Jersey.

Bell, who has received personal loans from his mother which he counted the individual contribution limit of \$1,000, says the limit does not apply to family members.

The Bell campaign counsel, Loren Smith, a professor at Delaware Law School, says such loans would be exempt if allowed.

But the FEC in past advisory opinions involving other candidates' campaigns, has stated that Congress intended the \$1,000 individual contribution limit to apply to family members of a candidate for federal office.

Bell, the 34-year-old conservative who topped Sen. Clifford Case in the June 6 GOP primary, has been receiving loans from his mother, Marjorie, to pay his living expenses, as well as make loans in his own name to his campaign committee.

According to his campaign financing reports filed with the FEC, Bell loaned a total of \$44,500 to his campaign during the primary. The largest loan — \$33,000 — was made 11 days before the primary when the Bell campaign was scrambling for money to pay for television commercials which aired the last week of the campaign.

Candidates for federal office are allowed to contribute or personally loan their own campaigns as much money as they have. Bill Bradley, the Democratic nominee for Senate, contributed \$27,000

to his own campaign. Another candidate, William F. Buckley Jr., received \$100,000 from his mother over to his campaign committee. By a letter Mr. Buckley's New York Tribune, it was noted that Mr. Buckley's mother had loaned him \$100,000.

Bell, according to the FEC, received \$100,000 from his mother. The FEC's secretary of the Senate is William F. Buckley Jr.

The only case cited in the FEC's advisory opinion was that of a candidate who reported to the FEC an amount of money which represented what the campaign committee owed to the candidate.

(Times Staff by Page 2)

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(Continued)

ATTACHMENT I

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20403

MEMORANDUM

TO: The Commission

FROM: William C. Oldaker, General Counsel

SUBJECT: Attached Newspaper Article Concerning Senate Candidate Jeffrey Bell

The attached newspaper article appeared in the Newark, New Jersey Sunday Star - Ledger on July 16, 1978. The article concerns loans made by Senate candidate Jeffrey Bell to his principal campaign committee, the Bell for Senate Committee. According to the article Bell's counsel, Professor Loren Smith, told the newspaper the loans Bell made to the Committee in fact consisted of funds provided by his mother.

In the article Smith goes on to state that the individual contribution limitations of 2 U.S.C. §441a(a) (1)(A) do not apply to a candidate's immediate family members. He disagrees with a previous Advisory Opinion (A.O. 1976 - 26) in this regard saying, "My reading of Buckley versus Valeo says they're wrong. Any restrictions on a mother giving to her son would be unconstitutional."

Professor Smith appears to have adopted a novel interpretation of the Court's discussion of contributions by immediate family members in Buckley v. Valeo. In footnote 57 the Court explicitly states: "The Court of Appeals treated §608(a) as relaxing the \$1,000 per candidate contribution limitation imposed by §608(b)(1) so as to permit any member of the candidate's immediate family ... to contribute up to the \$25,000 overall annual contribution ceiling to the candidate. ... The Commission has recently adopted a similar interpretation of the provision. ... However, both the Court of Appeals and the Commission apparently overlooked the Conference Report ..." 424 U.S. 1, 52 (1976). The Court goes on to quote the Conference Report in which the personal control rule is set forth. This rule is now

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ATTACHMENT II (1-f2)

incorporated into 11 C.F.R. §110.10 which permits candidates to make unlimited expenditures from his own funds and includes in the definition of personal funds of immediate family members over which the candidate has "legal right of access to or control over" at the time he became a candidate.

A review of the Bell for Senate Committee reports shows that Bell has loaned a total of \$52,710.00 to his campaign committee. (These loans are itemized in Attachment II.) If these funds indeed came from Mr. Bell's mother, as the article alleges, there appears to be a question of a violation of 2 U.S.C. §441a(a)(1)(A) on the part of Mrs. Bell, a violation of 2 U.S.C. §441f on the part of candidate Jeffrey Bell, and violations of 2 U.S.C. §441a(f) and §434(b) on the part of the Bell for Senate Committee.

We therefore recommend the Commission open a NUR in this matter.

80040203669

LOADS FROM SYSTEM BILL TO THE BILL FOR MONTH ENDING

Date	Amount
6/9/77	\$ 10.00
6/23/77	300.00
6/27/77	1700.00
12/14/77	4200.00
12/15/77	2000.00
1/31/78	2500.00
5/26/78	35000.00
6/5/78	<u>7000.00</u>
TOTAL	\$ 52,710.00

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ATTACHMENT III

If you have any questions, please contact the person at the
the small number assigned to this matter, at that number.

This matter will remain confidential in connection with
with J. S. C. 240 (a) (1) unless you notify the person in
in writing that you wish this 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

Enclosure: Questions

80040203692

Ms. Marysia Bell

QUESTIONS

1. According to an article which appeared in the Newark, New Jersey Sunday Star - Ledger on July 16, 1978, you have made loans and gifts of money to Jeffrey Bell. Is this true? If so, please answer the following questions:

- 30042203693
- (a) What was the total amount of loans and gifts of money or other assets (such as real property, stocks, bonds, etc.) you made to Jeffrey Bell each year for 1974, 1975, and 1976. What was the amount of the largest single loan or gift of money or other asset you made to Jeffrey Bell in each of these years? What was the purpose of these loans and/or gifts?
 - (b) Itemize all advances, loans, and gifts of money or other assets made by you to your son Jeffrey during the period January 1, 1977, to June 30, 1978. Provide copies of any documents in your possession, including checks, which concern such advances, loans, or gifts.

- 80040203694
2. (a) Describe any and all documents which gave or give your son Jeffrey any right of access to or control over any of your assets;
 - (b) Provide us with copies of any such documents in your possession;
 - (c) Regarding any bank accounts connected with (a) or (b) above, provide the account name and number, and the name and address of the financial institution where the account is or was located.
3. Have you made any contributions, advances, loans, or gifts of money to the Bell for Senate Committee? If so, itemize each such payment and provide copies of all documents, including checks, in your possession which concern such payments.
 4. To make the above loans, advances, or gifts of money to either Jeffrey Bell or the Bell for Senate Committee, did you borrow money from any person or financial institution? If so, describe the details of each such loan and provide copies of notes signed to secure these loans.

Mr. Bell
Bell for Senate Campaign
240 N. State Street, 17th
Trenton, New Jersey 08611

Re: MUR 659 (78)

Dear Mr. Bell:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe you violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specially it appears that you may have violated 2 U.S.C. §441f by making loans to the Bell for Senate Committee ("Bell Committee") which in fact consisted of funds provided by your mother, Mrs. Marjorie Bell. We have numbered this matter MUR 659 (78).

Under 11 C.F.R. §110.10 unless you had legal right of access to or control over the funds used to make the loans in question at the time you became a candidate, such loans would be considered as contributions to the Bell Committee by Mrs. Marjorie Bell. 2 U.S.C. §441f prohibits the making of contributions in the name of another and knowingly permitting one's name to be used to effect such a contribution.

We have enclosed a letter to your mother notifying her of the Commission's findings as regards her possibly having violated the Act. As we do not have your mother's current mailing address we would appreciate your forwarding the enclosed letter to her.

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

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please submit answers to the enclosed questions. Appropriate statements should be submitted with the answers.

The Commission is making a copy of investigation matter expeditiously. Therefore, your responses should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 343-4444.

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

Enclosure: Questions

TO: Mr. Jeffrey Bell

QUESTIONS

1. According to an article which appeared in the Newark, New Jersey Sunday Star - Ledger on July 16, 1978, your personal financial disclosure statement filed with the Secretary of the Senate lists no assets except for a \$5,200 debt owed you by the Bell for Senate Committee.

(a) Is this true?

(b) Please provide a copy of your personal financial disclosure statement.

2/ List all accounts at financial institutions maintained in your name or to which you have access. Give account numbers, type of account, and the name and address of the financial institution at which the account is maintained.

3/ According to reports filed with the Federal Election Commission you have made loans to the Bell for Senate Committee totalling \$52,710 as of June 5, 1978. You are quoted in the Star - Ledger article as saying the money for these loans came from "family loans." Did the funds used to make any of these loans come from another person? If so, answer the following:

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(a) Itemize all loans and contributions made in your name to the Bell for Senate Committee. In each case state the original source (including name, address, and relationship) of the funds used to make the loan or contribution and the name and address of the financial institution and account number on which the check for each loan or contribution was drawn. Provide copies of any documents in your possession including checks concerning these loans or contributions.

(b) In each case where the original source of the funds used to make loans or contributions in your name to the Bell Committee was a person other than yourself, describe the circumstances and provide copies of any documents which established any right of access to or control over these funds on your part.

4. What is Mrs. Marjorie Bell's current mailing address and telephone number?

If you have any questions please contact me at [redacted],
the staff member assigned to this matter at [redacted].

This matter will remain confidential in accordance with 5 U.S.C. § 552(b)(7)(D) unless you advise me in writing that you wish this investigation to be made public.

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

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In the Matter of
Newspaper Articles Concerning
Senate Candidate Jeffrey Bell

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on July 26, 1978, the Commission determined by a vote of 5-0 to adopt the recommendation in the General Counsel's Memorandum dated July 22, 1978 to open a MUR in this matter.

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

Date: 7/26/78

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

Received in Office of Commission Secretary: 7-21-78, 3:59
Circulated on 48 hour vote basis: 7-24-78, 12:30

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20543

July 27, 1978

MEMORANDUM

TO: The Commission

FROM: William C. Oldaker
General Counsel

SUBJECT: Attached Newspaper Article Concerning Senate Candidate Jeffrey Bell

The attached newspaper article appeared in the Newark, New Jersey Sunday Star - Ledger on July 16, 1978. The article concerns loans made by Senate candidate Jeffrey Bell to his principal campaign committee, the Bell for Senate Committee. According to the article Bell's counsel, Professor Loren Smith, told the newspaper the loans Bell made to the Committee in fact consisted of funds provided by his mother.

In the article Smith goes on to state that the individual contribution limitations of 2 U.S.C. §441a(a) (1)(A) do not apply to a candidate's immediate family members. He disagrees with a previous Advisory Opinion (A.O. 1976 - 26) in this regard saying, "My reading of Buckley versus Valeo says they're wrong. Any restrictions on a mother giving to her son would be unconstitutional."

Professor Smith appears to have adopted a novel interpretation of the Court's discussion of contributions by immediate family members in Buckley v. Valeo. In footnote 57 the Court explicitly states: "The Court of Appeals treated §608(a) as relaxing the \$1,000 per candidate contribution limitation imposed by §608(b) (1) so as to permit any member of the candidate's immediate family ... to contribute up to the \$25,000 overall annual contribution ceiling to the candidate. ... The Commission has recently adopted a similar interpretation of the provision. ... However, both the Court of Appeals and the Commission apparently overlooked the Conference Report ..." 424 U.S. 1, 52 (1976). The Court goes on to quote the Conference Report in which the personal control rule is set forth. This rule is now

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... of the Ball for Senate Committee
... has issued a report of the
... (Name) and
... If these facts indeed came from
... as the article alleges, there would
... of a violation of 2 U.S.C. § 435
... the part of Sen. Ball, a violation of
... the part of candidate Jeffrey Ball, and
... 2 U.S.C. § 431A(f) and § 435(b) on the part of
... Senate Committee.

We therefore recommend the Commission open
this matter.

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New Jersey - The Sunday Star-Ledger
7/16/78

Bell disputes limits on kin contributions

By DAVID WALD

Federal Election Commission (FEC) regulations concerning campaign contributions from family members in a candidate are being disputed by Jeffrey Bell, the Republican nominee for U.S. senator from New Jersey.

Bell, who has received personal loans from his mother which far exceed the individual contribution limit of \$1,000, says the limit does not apply to family members.

The Bell campaign counsel, Lauren "Lutz" a professor at Delaware Law School, says such limits would be unconstitutional.

But the FEC in past advisory opinions involving other candidates campaigns, has stated that Congress intended the \$1,000 individual contribution limit to apply to family members of a candidate for federal office.

Bell, the 34-year-old conservative who topped Sen. Clifford Case in the June 8 GOP primary, has been receiving loans from his mother, Marcia, to pay his living expenses, as well as cash loans in his own name to his campaign committee.

According to his campaign financing reports filed with the FEC, Bell loaned a total of \$4,000 to his campaign during the primary. The largest loan — \$2,000 — was made 11 days before the primary when the Bell campaign was scrambling for money to pay for television commercials which aired the last week of the campaign.

Candidates for federal office are allowed to contribute or personally loan their own campaigns as much money as they have. Bill Bradley, the Democratic nominee for Senate, contributed \$7,000

to his own campaign, directly loaned another \$2,000, and paid to the bank for an additional \$2,000 which he turned over to his campaign committee. Bradley, a former club forward for the New York Knicks, is worth nearly \$1.5 million.

Bell, according to his personal financial disclosure report that was the secretary of the Senate in 1976, is a trust position.

The only asset listed in his disclosure report is \$100, an amount of money which represents what the Bell campaign committee used to purchase

(Please turn to Page 20)

(Continued)

Bell disputes limits on kin contributions

(Continued from Page One)

at the time due to an earlier loan he made to the committee.

The disclosure report lists no bank account, and assigns no value to any personal property. Bell says he has a bank account, but the amount of money in it falls below the minimum reporting requirement. Bell, who is not married, lives in an apartment in Trenton.

The personal disclosure form, which does not require a candidate, or an incumbent senator, to state specifically how much money a particular asset (or liability) is worth, includes a category of "not more than \$5,000."

The personal loans Bell made to his campaign committee which are reported in the committee's financial report to the FEC, do not indicate where Bell received the money to make the loans.

• • •

In an interview, Bell said the money came from "family loans" and he was not required to disclose any details. He said the arrangements with his family were "private," and the money which he received was — for campaign reporting requirements — his own. "I can give whatever I want to my own campaign," he said.

Bell's counsel, Smith, who also served as Ronald Reagan's counsel in the former California governor's 1976 campaign for president, said the loans were from Bell's mother, Mrs. Bell, a widow, lives in Ann Arbor with Bell's sister and her husband. Bell's father was an international sales executive for E.I. du Pont, Inc.

"There is a clear exemption for immediate family members," Bell said.

• • •

But the FEC issued "advisory" and "informational" opinions in 1976 which stated that family members were not exempt from the contribution limit. The FEC considers loans to a campaign as contributions.

On Sept. 29, 1976, Vernon Thomson, then chairman of the FEC, issued a "statutory advisory opinion" in response to an inquiry from Rep. Richard Ottinger (D-N.Y.) about whether family members are subject to the \$1,000 contribution limit.

Thomson said family members are. The commission chairman based his ruling in part on a United States Supreme Court decision issued Jan. 30, 1976, in which, Thomson said, the court noted in a footnote that "the legislative history of the \$1,000 individual contribution limitation indicated Congress intended it also apply to contributions by family members of a federal candidate."

Thomson also said a House-Senate conference committee report in 1976 on amendments to the campaign financing law laid further weight to this opinion.

The court case, Buckley v. Valeo, arose out of a challenge by former Sen. James Buckley (R-N.Y.) to an original provision in the financing law that

limited the amount of money candidates could personally contribute to their own campaigns. The court said there would be no personal limit for candidates.

Professor Smith, Bell's counsel, said in an interview that he believed the commission interpretation is in error. "My reading of Buckley versus Valeo says they're wrong. Any provision on a mother giving to her son would be unconstitutional."

An FEC regulation (Section 101.12) defines as a candidate's "personal funds" any assets to which at the time he or she became a candidate the candidate had legal and rightful title . . . and which the candidate had legal right of access to or control over, including funds from immediate family members.

The FEC, according to a spokesman, David Fisher, considers "the legal right of access and/or control over" money as the crucial test in determining whether it could be construed as a candidate's "personal funds."

Smith, however, said if the FEC standard requires that there has to be a "complex legal arrangement between mother and son for a son to receive money from his mother, then that's a strange reading of the regulation."

On the issue of whether candidates can accept money from family members for living expenses — a question raised in 1976 by former New Jersey State Sen. William Schuler of Pennington, who was running against Rep. Helen Mayer (D-13th Dist.) — Thomson released an "informational" opinion which stated in part:

"There would be no basis for allowing a candidate to receive unlimited donations, specifically prompted by his candidacy, to pay for his living expenses when the candidate would be precluded from using the same donated funds for his campaign expenses."

Thomson said the only exception to this rule would be if the candidate "customarily" received such gifts for living expenses.

Smith said the commission's interpretations on living expenses "went beyond the purview of the law."

He said, overall, he believed FEC regulations relating to family members were "unclear as to what a family member can or cannot do." Congress, he said, was interested in limiting the impact of corporations and special interest groups in campaigns.

"I think Jeff has an exceedingly strong case (if the FEC decides to challenge their interpretation of the law)," he said.

Smith said the Bell campaign did not ask for an advisory opinion on whether he could receive loans from his family and convert it into loans to his campaign. "I don't think we need one," he said.

There has been no complaint filed with the FEC against Bell's campaign financing, according to FEC spokesman Fisher.

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Date	Amount
6/9/77	\$ 10.00
6/21/77	100.00
6/27/77	1700.00
12/14/77	4200.00
12/15/77	2000.00
1/31/78	3500.00
5/26/78	35000.00
6/5/78	<u>7000.00</u>

TOTAL \$ 52,710.00

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THIS IS THE BEGINNING OF PART 659

Date Filmed

9/9/80

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