



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF TÜR # 890

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**MUR-890 (78) Lipkin**

PS Form 3811, Apr. 1977

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2. ARTICLE ADDRESSED TO  
**Charles Sasser**  
**101 South Main Street**  
**Tuscumbia, Ala. 35674**

3. ARTICLE DESCRIPTION  
REGISTERED NO. CERTIFIED NO. INSURED NO.  
**943656**

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SIGNATURE  Addressee  Authorized agent  
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TUSCUMBIA ALA MAY 21 1977

GPO 1977-0-240-595

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION

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

May 14, 1979

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Charles Sasser  
President  
First National Bank  
101 South Main Street  
Tuscumbia, Alabama 35674

Re: MUR 890 (78)

Dear Mr. Sasser:

After an investigation of the above-referenced matter, the Commission determined that there was no reasonable cause to believe that the First National Bank violated 2 U.S.C. §441b(a). Accordingly, our file in this matter is now closed.

Thank you for your cooperation.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "William C. Oldaker".

William C. Oldaker  
General Counsel

0131669

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
First National Bank, ) MUR 890 (78)  
Tuscumbia, Alabama )

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on May 9, 1979, the Commission determined by a vote of 6-0 to adopt the recommendations, as set forth in the General Counsel's Report dated April 30, 1979, regarding the above-captioned matter:

1. Find no reasonable cause to believe that respondent violated 2 U.S.C. §441b(a).
2. Close the file and send the letter attached to the above-named report.

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

Attest:

5-9-79

Date

Margaret E. Chaney

Marjorie W. Emmons  
Secretary to the Commission

Report signed by General Counsel: 5-4-79  
Received in Office of Commission Secretary: Friday, 5-4-79, 2:49  
Circulated on 48 hour vote basis: Monday, 5-7-79, 12:00

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May 4, 1979

MEMORANDUM TO: Marge Spinks  
FROM: Elissa T. Garr  
SUBJECT: MUR 890

Please have the attached General Counsel's Report on MUR 890 distributed to the Commission on a 48 hour tally basis.

Thank you.

70040131670

BEFORE THE FEDERAL ELECTION COMMISSION  
April 30, 1979

RECEIVED  
OFFICE OF THE  
SECRETARY  
79 MAY 4 A2:49

In the Matter of )  
 )  
First National Bank, ) MUR 890 (78)  
Tuscumbia, Alabama )

GENERAL COUNSEL'S REPORT

BACKGROUND

This matter originated as a referral from the Comptroller of the Currency after an examination of the respondent bank by the Comptroller's Office. The examination indicated that during 1978, a bank vice president, William F. Gardiner, may have worked for the Howell Heflin Senate Campaign on bank time and while on salary, and that the bank paid \$75 for tickets to a dinner for Ronnie Flipppo, who was a federal candidate that year.

On January 5, 1979, the Commission found reason to believe that the respondent national bank violated 2 U.S.C. §441b(a) by making in-kind and direct contributions to candidates. The bank answered questions and Mr. Gardiner submitted an affidavit explaining their activities. (See attachment I) Additional information was required and the Commission then issued §437d orders to Mr. Gardiner and the bank. Both responded. (See attachment II)

EVIDENCE

The answers indicate that Mr. Gardiner's position at the bank, even prior to the Heflin campaign, involved development of new business that was primarily outside the bank. This job

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required that he take potential customers out for meals and often be with them until late hours. Mr. Gardiner stated he worked more than the 40 standard hours per week, but also said that the nature of his work left him free time during the day and on weekends to work on the campaign. He stated that during his business meetings he never solicited campaign contributions or represented himself as a Heflin campaign worker. The bank was aware of Mr. Gardiner's activities for the campaign but considered it a private matter which did not interfere with his bank duties.

The Flippo Dinner was run by the local chamber of commerce as an "appreciation dinner" and the bank denied it was a fundraiser for Mr. Flippo's congressional campaign. The bank's check for the three dinner tickets, totalling \$75, was dated January 11, 1978 and Mr. Flippo submitted his statement of candidacy on February 25, 1978.

ANALYSIS

The evidence indicates that Mr. Gardiner was working full time and fulfilling his duties at the bank during the period when he did volunteer work for the Heflin campaign. Consequently, the bank was not in violation of 2 U.S.C. §441b(a) by its retention of Mr. Gardiner on full salary during the campaign period.

The evidence also indicates that the dinner tickets purchased by the bank were not in connection with an election. The dinner was an "appreciation dinner" not run by a campaign

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committee and not run as a fundraiser for the Flippo campaign. See AO 78-4. Therefore, the purchase of these tickets was not a violation of §441b(a) by the bank.

RECOMMENDATION

1. Find no reasonable cause to believe that respondent violated 2 U.S.C. §441b(a).
2. Close the file and send the attached letter.

8/21/79  
Date

William C. Oldaker  
General Counsel

ATTACHMENTS

- I. First responses by bank and Gardiner
- II. Second responses by bank and Gardiner
- III. Proposed letter to respondent

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FEDERAL ELECTION COMMISSION

First National Bank <sup>79</sup>FEB 10: 59

IN TUSCUMBIA, SHEFFIELD, MUSCLE SHOALS, CHEROKEE TELEPHONE (205) 383-8232

DRAWER 150 TUSCUMBIA, AL 35874

February 14, 1979

000000

Mr. Gary Lipkin  
Federal Election Commission  
Office of General Counsel  
1325 K Street, N. W.  
Washington, D. C. 20463

Dear Mr. Lipkin:

Enclosed please find an affidavit of William F. Gardiner concerning the letter and questions to Mr. Edmond B. Johnson, Jr. from Mr. William C. Oldaker dated January 11, 1979.

The affidavit is self explanatory; however, I will further explain that on January 26, 1978, at the regular meeting of the Board of Directors of the First National Bank in Tuscumbia, Alabama, I made a motion that was seconded by my son, Murray W. Beasley, Jr., and passed unanimously by the Board of Directors that due to Mr. Gardiner's previous health problems that he be removed as a loan officer and moved to outside work in new business and business development. Needless to say, Mr. Gardiner performed his duties with the bank to the satisfaction of the Board of Directors in every way and what his political activities in the afternoons, nights and weekends were was certainly no concern of ours as long as he performed his duties for the bank.

Trusting this will close this matter up and with kindest regards, I remain,

Yours very truly,

Murray W. Beasley  
Attorney

MWB:js  
Enclosure

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STATE OF ALABAMA  
COLBERT COUNTY

Before me, the undersigned authority, personally appeared William F. Gardiner, who being by me first duly sworn and being known to me deposes and says as follows:

My name is William F. Gardiner and I am a resident citizen of Colbert County and well over the age of 21 years.

I understand that the Federal Election Commission has made an inquiry of Mr. Edmond B. Johnson, Jr., former president and chief executive officer of the First National Bank in Tuscumbia, Alabama, concerning my activities with the Howell Heflin Senate campaign.

I was a former loan officer of the First National Bank in Tuscumbia and having had a heart attack, I preferred outside work to being in an office all day and requested that I be returned to public relations for the bank. During the Howell Heflin Senate campaign, I did work for now Senator Howell Heflin mostly in the afternoons, nights and weekends; occassionally calling on prospective customers for the bank and discussing politics with them as a side effect rather than as a primary reason for my connection with these individuals.

I can list hundreds of people that I called on for the bank from January 26, 1978, to my resignation in December, 1978. I worked past due loans in and out of the bank during the year 1978 as well as the public relations and new account duties I performed during the year 1978 for the First National Bank in Tuscumbia, Alabama.

I also acted as a governmental affairs liaison man for the First National Bank in Tuscumbia with the governor of the state of Alabama, state senators, state representatives, mayors of the various towns in Colbert County and County commission.

I make this affidavit for the purpose of clearing up any doubts concerning the letter and questions to Mr. Johnson from the Federal Election Commission dated January 11, 1979.

  
William F. Gardiner

Sworn and subscribed to before me  
this 14th day of February, 1979.

  
Notary Public

MY COMMISSION EXPIRES DATE 03, 1981

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Lipkin

FEDERAL ELECTION COMMISSION

Edmond B. Johnson, Jr.

MUR 890 (78)

QUESTIONS

- 1. It has been alleged that First National Bank Vice President William F. Gardiner worked for the Howell Heflin Senate Campaign in 1978 on a full time basis. Is this true? No
- a. How many hours per week did Mr. Gardiner work on the Heflin campaign? I do not know.
- b. How long did Mr. Gardiner work on the Heflin Campaign? 900583  
I do not know.
- c. Was Mr. Gardiner in a vacation or leave status during the time he worked on the Heflin campaign? If so, provide copies of any records which reflect this. No
- d. Did Mr. Gardiner use his bank office and facilities for his work on the Heflin campaign? No
- e. What was Mr. Gardiner's yearly salary during this campaign period? \$18,500.00
- f. What are Mr. Gardiner's responsibilities as a bank official? public relations, loans, governmental relations
  - (1) Did Mr. Gardiner engage in any of these responsibilities during the period noted in item "b" above? yes
  - (2) About how many hours per week was Mr. Gardiner engaged in these responsibilities during the period noted in item "b" above? about 40 hrs. per week
- g. During the period noted in item "b" above, did Mr. Gardiner continue to receive his regular salary from the bank? If not, provide copies of any records which reflect this.  
Mr. Gardiner received his regular salary during the year 1978 for work he did for the bank.
- h. Does the bank have a policy regarding political contributions and activities?

No. Every officer and employee may do what they please on their own time.

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(1) If so, what is the policy and when was it first developed and disseminated?

n/a

(2) If this policy has been reduced to writing, please provide us with a copy of same.

n/a

2. It has been alleged that your bank paid seventy-five dollars on January 11, 1978 for tickets to a fundraiser for the congressional campaign of Mr. Flipppo.

- a. Is this true? No. This was an appreciation dinner given by the Chamber of Commerce attended by E. B. Johnson, Jr., Tommy Crosslin and Murray Beasley
- b. Please provide us with a copy of the check used to make this payment.

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# THE FIRST NATIONAL BANK

IN TUSCUMBIA

Offices In - Sheffield - Muscle Shoals - Cherokee  
TUSCUMBEA, ALA. January 11

PAY TO THE ORDER OF

Murray W. Beasley

No. 2727  
19 78

## Expense Check

Ronnie Filippo Dinner 1-10-78  
3 tickets

\$ 75.00

DOLLARS

*W. Thomas*  
AUTHORIZED SIGNATURE

0000007500

Page 5 of 5

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

INTERROGATORIES

TO: William Gardiner  
P.O. Box 228  
Tuscumbia, Alabama 35674

MUR 890

79040131679

1. Provide the dates of your heart attack and the period of hospitalization and convalescence therefrom.
2. On what date did you return to work following your heart attack?
  - a. Did you work full time or part-time after the heart attack?
  - b. During your period of employment, what were full time hours at the bank considered to be?
  - c. If you worked less than full time after your heart attack, state the hours you did work for the bank.
  - d. With whom did you arrange at the bank to work less than full time?
  - e. How and to whom did you report at the bank in the period after your heart attack?
- 3a. After your illness, did you have an office in the bank?
- b. If the answer to item 3a is negative:
  1. Where did you work?
4. Whom at the bank did you advise of your intention to work for the Heflin campaign? Was this advice given by letter? On what date was this advice given?

5. What was your yearly salary prior to your heart attack?
6. What was your yearly salary after your heart attack?
7. List and describe your duties and responsibilities prior to your illness.
8. List and describe your duties and responsibilities after your illness.
9. What was your title in 1977?
10. What was your title in 1978, after your illness?
11. In your affidavit of February 14, 1979, you indicate that, in the course of calling on prospective bank customers, you discussed politics as a "side effect."
  - a. What was the main purpose of these calls?
  - b. In these conversations, did you represent yourself as a Heflin staff member?
  - c. Describe, generally, the substance of these conversations.
  - d. During these contacts, did you, at any time seek a contribution of time or money to the Heflin Campaign by the individuals with whom you spoke?
    1. If the answer to item 11d is in the affirmative, state the names and addresses of such individuals solicited.
12. When did you resign from your position with the bank?

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- 13a. Describe your position, title, and duties on the Heflin campaign, as well as the period of service thereon.
- b. To whom did you report on the Heflin campaign?
- c. Give the current address and telephone number of the individual(s) noted in the answer to item 13b.
14. We understand that you now run Senator Heflin's office in Tuscumbia, Alabama.
- a. When did you assume this position?
- b. Describe your position, title, and duties in the Heflin office.

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FEDERAL ELECTION COMMISSION  
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UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

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ANSWERS TO INTERROGATORIES

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(William Gardiner-MUR 890)

(1) I was in the hospital from approximately April 27, 1976 to May 11, 1976, and the entire period of hospitalization and convalescence was about six weeks.

(2) During the month of June 1976,

a. during convalescence I did some part time work by telephone and then I would work a couple hours a day, then half a day and sometime in June went back to full time work.

b. forty hours a week would have been considered to be full time work, however, I did not work on a 8 to 5 schedule or any set schedule. My duties involved primarily business development, personal relations, customer services and at times I would work on past due loans. Due to the nature of my employment, there would be times when I would take customers or customers we were seeking to breakfast early in the morning, to lunch or to dinner, which sometimes could be late at night. I did not keep definite hours but would work more than forty hours every week.

c. Answered above.

d. My arrangements at the Bank were with Mr. John Brignet, Chairman of the Board, who was at the Bank full time. Mr. Ed Johnson, President, also agreed to the arrangement.

e. Chairman of the Board. Also, President of Bank.

(3) a. Yes. I had an office at the Bank and I would work in and out of the Bank.

(4) Chairman of the Board. This was reported to him verbally. The exact date I do not know. Also, told President.

(5) \$15,000.00

(6) \$15,000.00, however, it was subsequently raised to \$18,500.00

(7) My duties were as explained in (2) a. above, however, for a while during 1977, I worked in the Bank, on the floor, as a Customer Service man primarily, and then served as a Loan Officer for a while due to the fact that some of the employees of the Bank had left.

1091064

(8) As stated in (7) above, however, after serving as a Loan Officer for a while and because of my previous heart attack, I requested to be returned to my former duties as Personal Relations, Business Development, etc., and was returned to this duty. After this I worked practically all of the time out of the Bank but checked in and out of the Bank at irregular times.

(9) Vice-President, and for a while I was a Loan Officer.

(10) Vice-President.

(11) a. The main purpose of the calls referred to was to seek new Bank customers. I have served as Mayor of the City of Tuscumbia for 18 years, served as President of the League of Municipalities for the State of Alabama, and have had an active interest in politics all my life. One of the subjects that generally presents itself when I am discussing anyone who knows me at all, will be politics of some nature, local, state or national. This is merely conversation just as sometimes we discuss sports or other current matters.

b. No.

c. It is difficult to describe in a few words the substance of a conversation. However, in seeking new customers you would ordinarily endeavor to find some line of conversation in which the prospect had an interest and work into the business at hand. Many times this would be over breakfast, lunch or dinner, and then lead the conversation into the possibility of establishing an account with our Bank.

d. No.

(12) December 1, 1978.

(13) a. Did not have a title but, in general, was a jack-of-all-trades. I would contact people I knew throughout the State by telephone and solicit their support of Mr. Heflin and most of this was done after 5 o'clock in the afternoon. I would also discuss with Mr. Heflin and appropriate campaign workers as to nature and type of advertising and this was generally done over the weekends, Saturdays and Sundays. I would work in his office in Tuscumbia when not engaged in Bank business, doing anything that I could do to assist

b. I did not report as such to anyone. I would discuss matters with Mr. Heflin when he was in town, sometimes by telephone at night, and I would discuss matters with the Campaign Manager, Mike House, mostly by telephone.

c. Mike House and Senator Heflin are both in the United States Senate Office Building, Washington, D. C., telephone number is 224-4124.

(14)a. January 3, 1979.

b. I am listed as a Special Assistant to Senator Heflin. I represent him in meetings in Alabama when he cannot attend, coordinate and supervise his Alabama offices and such other functions requested by Senator Heflin.

William Gardiner  
William Gardiner

Subscribed and sworn to  
before me this 11<sup>th</sup> day  
of April, 1979.

Noema P. Hume  
Notary Public

18915101067



*Explain*

*9266*

# First National Bank

IN  
TUSCUMBIA, SHEFFIELD, MUSCLE SHOALS, CHEROKEE  
TELEPHONE (205) 383-6232

CHARLES H. SASSER  
PRESIDENT

DRAWER 150  
TUSCUMBIA, AL. 35674

April 9, 1979

Mr. Gary D. Lipkin  
Office of General Counsel  
Federal Election Commission  
1325 K Street, N. W.  
Washington, D. C. 20463

Dear Mr. Lipkin:

Pursuant to your subpoena concerning former Vice President, William F. Gardiner, I respectfully submit the attached information for your Office.

Should you have any questions concerning any of the information, please feel free to call on me at anytime.

Yours very truly,

*Charles H. Sasser*  
Charles H. Sasser  
President

CHS:js  
Enclosures

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19 APR 13 P 2:51

RECEIVED  
GENERAL COUNSEL  
APR 11 1979

Page 7 of 10

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

INTERROGATORIES

TO: Charles Sasser, President  
First National Bank  
101 South Main Street  
Tuscumbia, Alabama 35674

MUR 890

- 1a. Describe the duties and responsibilities of former bank vice president William Gardiner prior to December, 1977. Mr. Gardiner's primary responsibility was business development for the bank. He did, however, on occasion make loans.
- b. Who assumed these duties after Mr. Gardiner's heart attack? No one assumed his duties of business development after the heart attack.
2. Describe the duties and responsibilities of William Gardiner after his heart attack in December, 1977. His duties after his heart attack were the same as before. It should be noted at this point that Mr. Gardiner, in his capacity of public relations, did not work standard banking hours. His duties called for work even until late at night.
3. To whom did Mr. Gardiner report in 1977 and 1978? Mr. Gardiner reported to Edmond B. Johnson, Jr. (President of the bank at that time.)
4. When, if at all, did the bank first learn of Mr. Gardiner's activities on the Howell Heflin campaign and how did the bank acquire the knowledge? Mr. Gardiner has campaigned for Howell Heflin for numerous years which was long before his campaign for Senator.
- 5a. We note that the bank paid seventy-five dollars on January 11, 1978 for tickets to a "Ronnie Flippo Dinner."
- b. What was the purpose of this dinner?

This dinner was an appreciation dinner held by the local Chamber of Commerce attended by two officers and one director of the bank.

79040131685

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

SUBPOENA

TO: Charles Sasser, President  
First National Bank  
101 South Main Street  
Tuscumbia, Alabama 35674

MUR 890

The Federal Election Commission, pursuant to its powers set forth in 2 U.S.C. §437d(a)(3), hereby subpoenas the following documents 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 D. Lipkin, and postmarked within ten days of your receipt of this subpoena:

1. All resolutions passed by the Board of Directors that pertain to William Gardiner from November 1977 to date.
2. Copies of the minutes of the meetings of the Board of Directors at which the employment or activities of William Gardiner were discussed from November 1977 to date.
3. Copies of any letters from William Gardiner to the bank that concern his employment after his heart attack.

WHEREAS, the Chairman of the Federal Election Commission, has hereunto set her hand at the Office of the Commission, 1325 K Street, N.W., Washington, D.C. 20463, this 28th day of March, 1979.

Joan D. Aikens  
Joan D. Aikens  
Chairman

ATTEST:

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

Page 9 of 10

79040151637

Answers and/or statements to the Subpoena

1 & 2.

The following is a part of the minutes of the regular Board of Directors meeting of the First National Bank in Tuscumbia, Alabama, held January 26, 1978:

" On motion by Murray W. Beasley and second by Murray W. Beasley, Jr., it was approved that William F. Gardiner be moved into the area of new business and business development."

The following is a part of the minutes of the regular Board of Directors meeting of the First National Bank in Tuscumbia, Alabama, held April 27, 1978:

"It was agreed that the salary of William F. Gardiner should remain the same until he assumes his full time position at the bank."

3.

We cannot find any letters from William F. Gardiner to the bank concerning his employment after his heart attack.

790401 1633



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Charles Sasser  
President  
First National Bank  
101 South Main Street  
Tuscumbia, Alabama 35674

Re: MUR 890 (78)

Dear Mr. Sasser:

After an investigation of the above-referenced matter, the Commission determined that there was no reasonable cause to believe that the First National Bank violated 2 U.S.C. §441b(a). Accordingly, our file in this matter is now closed.

Thank you for your cooperation.

Sincerely yours,

William C. Oldaker  
General Counsel

69101694



FEDERAL ELECTION COMMISSION

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

March 29, 1979

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Charles Sasser  
President  
First National Bank  
101 South Main Street  
Tuscumbia, Alabama 35674

Re: MUR 890 (78)

Dear Mr. Sasser:

In its investigation of the above-captioned matter, the Commission has determined that it is necessary to issue the enclosed interrogatories and subpoena for the production of documents.

If you have any questions, please contact the attorney assigned to this matter, Gary D. Lipkin, at (202) 523-4057.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "W. C. Oldaker".

William C. Oldaker  
General Counsel

Enclosure

40131690

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

● SENDER Complete items 1, 2, and 3  
 Add your address in the RETURN TO space on reverse  
*OGC*

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

2. ARTICLE ADDRESSED TO:  
*Charles Sasser*

3. ARTICLE DESCRIPTION:  
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.  
 | *943/29* |  
 (Always obtain signature of addressee or agent)

I have received the article described above.  
 SIGNATURE  Addressee  Authorized agent  
*J.A. Lipkin*

4. DATE OF DELIVERY  
 (Stamp: POSTMARK APR 2 1979 AL)

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: \_\_\_\_\_  
 OFFICE'S INITIALS \_\_\_\_\_

*Lipkin mul-898078* 249-596

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Charles Sasser  
President  
First National Bank  
101 South Main Street  
Tuscumbia, Alabama 35678

Re: MUR 890 (78)

Dear Mr. Sasser:

In its investigation of the above-captioned matter, the Commission has determined that it is necessary to issue the enclosed interrogatories and subpoenas for the production of documents.

If you have any questions, please contact the attorney assigned to this matter, Gary D. Lisher, at (202) 523-4057.

Sincerely yours,

William C. Oldaker  
General Counsel

Enclosure

*Gary D. Lisher*  
*3/29/78*

79040131692

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

SUBPOENA

TO: Charles Sasser, President  
First National Bank  
101 South Main Street  
Tuscumbia, Alabama 35674

MUR 890

790401695

The Federal Election Commission, pursuant to its powers set forth in 2 U.S.C. §437d(a)(3), hereby subpoenas the following documents 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 D. Lipkin, and postmarked within ten days of your receipt of this subpoena:

1. All resolutions passed by the Board of Directors that pertain to William Gardiner from November 1977 to date.
2. Copies of the minutes of the meetings of the Board of Directors at which the employment or activities of William Gardiner were discussed from November 1977 to date.
3. Copies of any letters from William Gardiner to the bank that concern his employment after his heart attack.

WHEREAS, the Chairman of the Federal Election Commission, has hereunto set her hand at the Office of the Commission, 1325 K Street, N.W., Washington, D.C. 20463, this 28th day of March, 1979.

Joan D. Aikens  
Joan D. Aikens  
Chairman

ATTEST:

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

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
First National Bank ) MUR 890 (78)  
Tuscumbia, Alabama )

ORDER

TO: Charles Sasser, President  
First National Bank  
101 South Main Street  
Tuscumbia, Alabama 35674

79040131694

PURSUANT to the authority set forth in Section 437d  
(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: Gary D.  
Lipkin, 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 28th  
day of March , 1979.

Joan D. Aikens  
Joan D. Aikens  
Chairman

ATTEST:

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

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

INTERROGATORIES

TO: Charles Sasser, President  
First National Bank  
101 South Main Street  
Tuscumbia, Alabama 35674

MUR 890

- 1a. Describe the duties and responsibilities of former bank vice president William Gardiner prior to December, 1977.
- b. Who assumed these duties after Mr. Gardiner's heart attack?
2. Describe the duties and responsibilities of William Gardiner after his heart attack in December, 1977.
3. To whom did Mr. Gardiner report in 1977 and 1978?
4. When, if at all, did the bank first learn of Mr. Gardiner's activities on the Howell Heflin campaign and how did the bank acquire the knowledge?
- 5a. We note that the bank paid seventy-five dollars on January 11, 1978 for tickets to a "Ronnie Flipppo Dinner."
- b. What was the purpose of this dinner?

79040131695



FEDERAL ELECTION COMMISSION

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

March 29, 1979

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

William Gardiner  
P.O. Box 228  
Tuscumbia, Alabama 35674

Re: MUR 890 (78)

Dear Mr. Gardiner:

In its investigation of the above-captioned matter, the Commission has determined that it is necessary to issue the enclosed order and interrogatories.

If you have any questions, please call the attorney assigned to this matter, Gary D. Lipkin, at (202) 523-4057.

Sincerely yours,

William C. Oldaker  
General Counsel

7 9 4.0 1 0 6 9 6

SENDER: Complete items 1, 2, and 3. Add your address in 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  
 RESTRICTED DELIVERY (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO  
 William Gardiner

3. ARTICLE DESCRIPTION REGISTERED NO. CERTIFIED NO. INSURED NO.  
 943/28

(Always obtain signature of addressee or agent)

I have received the article described above.  
 SIGNATURE  Addressee  Authorized agent  
 DATE OF DELIVERY  
 6/19/79

5. ADDRESS (Complete on front of envelope)

6. UNABLE TO DELIVER BECAUSE OF \_\_\_\_\_ CLERK'S INITIALS

Lipkin MUR-890

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

William Gardiner  
P.O. Box 228  
Tuscumbia, Alabama 35674

Re: MUR 890 (78)

Dear Mr. Gardiner:

In its investigation of the above-captioned matter, the Commission has determined that it is necessary to issue the enclosed order and interrogatories.

If you have any questions, please call the attorney assigned to this matter, Gary B. Lipkin, at (202) 523-4057.

Sincerely yours,

William C. Oldaker  
General Counsel

Enclosure

*Gary B. Lipkin*  
3/29/79

79040131697

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

In the Matter of the )  
 )  
First National Bank ) MUR 890 (78)  
Tuscumbia, Alabama )

ORDER

TO: William Gardiner  
P.O. Box 228  
Tuscumbia, Alabama 35674

79040131698

PURSUANT to the authority set forth in Section 437d  
(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: Gary D. Lipkin, 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 28th  
day of March , 1979.

*Joan D. Aikens*  
\_\_\_\_\_  
Joan D. Aikens  
Chairman

ATTEST:

*Marjorie W. Emmons*  
\_\_\_\_\_  
Marjorie W. Emmons  
Secretary to the Commission

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

INTERROGATORIES

TO: William Gardiner  
P.O. Box 228  
Tuscumbia, Alabama 35674

MUR 890

1. Provide the dates of your heart attack and the period of hospitalization and convalescence therefrom.
2. On what date did you return to work following your heart attack?
  - a. Did you work full time or part-time after the heart attack?
  - b. During your period of employment, what were full time hours at the bank considered to be?
  - c. If you worked less than full time after your heart attack, state the hours you did work for the bank.
  - d. With whom did you arrange at the bank to work less than full time?
  - e. How and to whom did you report at the bank in the period after your heart attack?
- 3a. After your illness, did you have an office in the bank?
  - b. If the answer to item 3a is negative:
    1. Where did you work?
4. Whom at the bank did you advise of your intention to work for the Heflin campaign? Was this advice given by letter? On what date was this advice given?

79040131699

5. What was your yearly salary prior to your heart attack?
6. What was your yearly salary after your heart attack?
7. List and describe your duties and responsibilities prior to your illness.
8. List and describe your duties and responsibilities after your illness.
9. What was your title in 1977?
10. What was your title in 1978, after your illness?
11. In your affidavit of February 14, 1979, you indicate that, in the course of calling on prospective bank customers, you discussed politics as a "side effect."
  - a. What was the main purpose of these calls?
  - b. In these conversations, did you represent yourself as a Heflin staff member?
  - c. Describe, generally, the substance of these conversations.
  - d. During these contacts, did you, at any time seek a contribution of time or money to the Heflin Campaign by the individuals with whom you spoke?
    1. If the answer to item 11d is in the affirmative, state the names and addresses of such individuals solicited.
12. When did you resign from your position with the bank?

7 9 0 4 0 1 3 1 7 0 0

13a. Describe your position, title, and duties on the Heflin campaign, as well as the period of service thereon.

b. To whom did you report on the Heflin campaign?

c. Give the current address and telephone number of the individual(s) noted in the answer to item 13b.

14. We understand that you now run Senator Heflin's office in Tuscumbia, Alabama.

a. When did you assume this position?

b. Describe your position, title, and duties in the Heflin office.

79040131701

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
First National Bank, )  
Tuscumbia, Alabama )

MUR 890 (78)

CERTIFICATION

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

1. Authorize the issuance of the order to answer interrogatories to William Gardiner, which was attached to the above-named memorandum.
2. Authorize the issuance of the subpoena and order to answer interrogatories, attached to the above-named report, to Charles Sasser, President, First National Bank, Tuscumbia, Alabama.

Attest:

3/25/79

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary to the Commission

Received in Office of Commission Secretary: 3-23-79, 12:16  
Circulated on 48 hour vote basis: 3-23-79, 4:30

79040131702



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE  
FROM: MARJORIE W. EMMONS *MWE*  
DATE: MARCH 28, 1979  
SUBJECT: SUBPOENA, ORDERS AND INTERROGATORIES  
MUR 890

The attached Subpoena, Orders and Interrogatories, approved March 27, 1979, have been signed and sealed this date.

7 9 0 4 0 1 3 1 7 0 3

ATTACHMENTS:

Subpoena, Order and Interrogatories - Charles Sasser  
Order and Interrogatories - William Gardiner

March 23, 1979

MEMORANDUM TO: Marge Emons  
FROM: Elissa T. Garr  
SUBJECT: MUR 890

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

Thank you.

7904013170A



FEDERAL ELECTION COMMISSION

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

RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

79 MAR 23 P12: 16

March 22, 1979

MEMORANDUM

TO: The Commission

FROM: William C. Oldaker *W.C. Oldaker*

DATE: March 12, 1979

RE: Order and Subpoena in MUR 890(78)

In the course of our investigation of this matter, William Gardiner, a former Vice President of the respondent bank, whose activities in the Howell Heflin Senate Campaign are the subject of this MUR, submitted an affidavit which purported to outline these activities. The affidavit, however, is vague and leaves many of our questions regarding Mr. Gardiner's activities unanswered, especially with regard to the nature and extent of his work for Mr. Heflin and the relationship of this work to his performance of his duties as a bank vice president. Accordingly we believe that the attached interrogatories to Mr. Gardiner and the subpoena duces tecum and interrogatories to the respondent bank should be issued and answered prior to further action by the Commission.

Recommendation

Authorize the attached order to answer interrogatories to William Gardiner and subpoena duces tecum and order to answer interrogatories to the respondent bank.

Attachments

1. Order for interrogatories
2. Interrogatories
3. Subpoena duces tecum
4. Letters (2)

79040131705



FEDERAL ELECTION COMMISSION

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

AUTHORIZATION TO ISSUE INTERROGATORIES AND SUBPOENA

The Commission hereby authorize the issuance of a subpoena and interrogatories to the following persons in connection with MUR 890 (78).

William Gardiner  
P.O. Box 228  
Tuscumbia, Alabama 35674

Charles Sasser, President  
First National Bank  
101 South Main Street  
Tuscumbia, Alabama 35674

\_\_\_\_\_  
Joan D. Aikens  
Chairman

\_\_\_\_\_  
Thomas E. Harris  
Commissioner

\_\_\_\_\_  
Robert O. Tiernan  
Vice Chairman

\_\_\_\_\_  
John W. McGarry  
Commissioner

\_\_\_\_\_  
Vernon Thompson  
Commissioner

\_\_\_\_\_  
Max L. Friedersdorf  
Commissioner

79040131705



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Charles Sasser  
President  
First National Bank  
101 South Main Street  
Tuscumbia, Alabama 35674

Re: MUR 890 (78)

Dear Mr. Sasser:

In its investigation of the above-captioned matter, the Commission has determined that it is necessary to issue the enclosed interrogatories and subpoena for the production of documents.

If you have any questions, please contact the attorney assigned to this matter, Gary D. Lipkin, at (202) 523-4057.

Sincerely yours,

William C. Oldaker  
General Counsel

Enclosure

7940151707



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

William Gardiner  
P.O. Box 228  
Tuscumbia, Alabama 35674

Re: MUR 890 (78)

Dear Mr. Gardiner:

In its investigation of the above-captioned matter, the Commission has determined that it is necessary to issue the enclosed order and interrogatories.

If you have any questions, please call the attorney assigned to this matter, Gary D. Lipkin, at (202) 523-4057.

Sincerely yours,

William C. Oldaker  
General Counsel

Enclosure

7 10 1 1 7 0 8



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO CHARLES STEELE  
FROM: MARJORIE W. EMMONS *MWE*  
DATE: MARCH 13, 1979  
SUBJECT: MUR 890 (78) - Interim Investigative Report  
dated 3-8-79; Signed in OGC  
3-9-79; Received in OCS  
3-9-79, 2:36

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

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

79040101707

March 9, 1979

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 890

Please have the attached Interim Invest Report  
on MUR 890 distributed to the Commission.

Thank you.

79040131710

BEFORE THE FEDERAL ELECTION COMMISSION  
March 8, 1979

RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

'9 MAR 9 P 2: 36

In the Matter of the )  
 )  
First National Bank )  
Tuscumbia, Alabama )

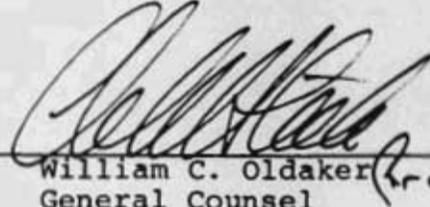
MUR 890 (78)

INTERIM INVESTIGATIVE REPORT

On February 15, 1979 after receiving answers to the questions posed to the respondent, we received an affidavit from William Gardiner, a former vice-president of the respondent, whose activities are the subject of this matter. Our analysis of these materials raises certain questions that we believe should be answered prior to further action by the Commission. Accordingly, we are preparing additional inquiries for Mr. Gardiner and will present them to the Commission shortly.

7 9 0 4 0 1 3 1 7 1 1

9 March 1979  
Date

  
\_\_\_\_\_  
William C. Oldaker  
General Counsel



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO CHARLES STEELE  
FROM: MARJORIE W. EMMONS *MWE*  
DATE: FEBRUARY 5, 1979  
SUBJECT: MUR 890 (78) - Interim Investigative  
Report dated 1-30-79; Signed by  
GC 2-1-79; Received in OCS 2-1-79,  
3:52

The above-named document was circulated on a 24  
hour no-objection basis at 3:00, February 2, 1979.

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

79040131712

February 1, 1979

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Garry  
SUBJECT: MUR 890

Please have the attached Interim Invest Report on  
MUR 890 distributed to the Commission.

Thank you.

79040131713

BEFORE THE FEDERAL ELECTION COMMISSION  
January 30, 1979

RECEIVED  
OFFICE OF THE  
CLERK OF THE COMMISSION

79 FEB 1 P 3: 52

In the Matter of  
First National Bank,  
Tuscumbia, Alabama

)  
)  
)  
)

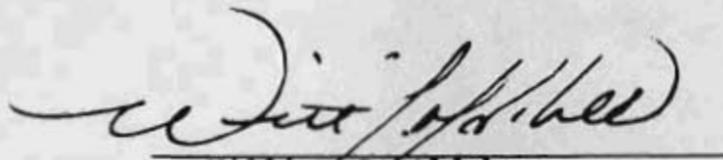
MUR 890 (78)

INTERIM INVESTIGATIVE REPORT

A staff attorney contacted the respondent on January 29, 1979 and was informed that a response to the questions appended to the Commission's reason to believe letter was mailed on Thursday, January 25, 1979. When this response is received and analyzed, a full report will be made to the Commission.

79040131714

2/1/79  
Date

  
\_\_\_\_\_  
William C. Oldaker  
General Counsel

GCC#  
9866



# First National Bank

IN

TUSCUMBIA, SHEFFIELD, MUSCLE SHOALS, CHEROKEE  
TELEPHONE (205) 383-8232

DRAWER 150  
TUSCUMBIA, AL. 35674

CHARLES H. SASSER  
PRESIDENT

April 9, 1979

Mr. Gary D. Lipkin  
Office of General Counsel  
Federal Election Commission  
1325 K Street, N. W.  
Washington, D. C. 20463

Dear Mr. Lipkin:

Pursuant to your subpoena concerning former Vice President,  
William F. Gardiner, I respectfully submit the attached  
information for your Office.

Should you have any questions concerning any of the information,  
please feel free to call on me at anytime.

Yours very truly,

*Charles H. Sasser*  
Charles H. Sasser  
President

CHS:js  
Enclosures

79040131715

19 APR 13 P 2: 51

RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

RECEIVED  
FEDERAL ELECTION  
COMMISSION

'79 APR 13 PM 1:47

In the Matter of )  
 )  
First National Bank ) MUR 890 (78)  
Tuscumbia, Alabama )

ORDER

901986

TO: Charles Sasser, President  
First National Bank  
101 South Main Street  
Tuscumbia, Alabama 35674

PURSUANT to the authority set forth in Section 437d  
(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: Gary D.  
Lipkin, 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 28th  
day of March , 1979.

Joan D. Aikens  
Joan D. Aikens  
Chairman

ATTEST:

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

79040131716

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

SUBPOENA

TO: Charles Sasser, President  
First National Bank  
101 South Main Street  
Tuscumbia, Alabama 35674

MUR 890

The Federal Election Commission, pursuant to its powers set forth in 2 U.S.C. §437d(a)(3), hereby subpoenas the following documents 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 D. Lipkin, and postmarked within ten days of your receipt of this subpoena:

1. All resolutions passed by the Board of Directors that pertain to William Gardiner from November 1977 to date.
2. Copies of the minutes of the meetings of the Board of Directors at which the employment or activities of William Gardiner were discussed from November 1977 to date.
3. Copies of any letters from William Gardiner to the bank that concern his employment after his heart attack.

WHEREAS, the Chairman of the Federal Election Commission, has hereunto set her hand at the Office of the Commission, 1325 K Street, N.W., Washington, D.C. 20463, this 28th day of March, 1979.

Joan D. Aikens  
Joan D. Aikens  
Chairman

ATTEST:

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

79040151717

Answers and/or statements to the Subpoena

1 & 2.

The following is a part of the minutes of the regular Board of Directors meeting of the First National Bank in Tuscumbia, Alabama, held January 26, 1978:

" On motion by Murray W. Beasley and second by Murray W. Beasley, Jr., it was approved that William F. Gardiner be moved into the area of new business and business development."

The following is a part of the minutes of the regular Board of Directors meeting of the First National Bank in Tuscumbia, Alabama, held April 27, 1978:

"It was agreed that the salary of William F. Gardiner should remain the same until he assumes his full time position at the bank."

3.

We cannot find any letters from William F. Gardiner to the bank concerning his employment after his heart attack.

79040131713

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

INTERROGATORIES

TO: Charles Sasser, President  
First National Bank  
101 South Main Street  
Tuscumbia, Alabama 35674

MUR 890

- 1a. Describe the duties and responsibilities of former bank vice president William Gardiner prior to December, 1977. Mr. Gardiner's primary responsibility was business development for the bank. He did, however, on occasion make loans.
- b. Who assumed these duties after Mr. Gardiner's heart attack? No one assumed his duties of business development after the heart attack.

2. Describe the duties and responsibilities of William Gardiner after his heart attack in December, 1977. His duties after his heart attack were the same as before. It should be noted at this point that Mr. Gardiner, in his capacity of public relations, did not work standard banking hours. His duties called for work even until late at night.

3. To whom did Mr. Gardiner report in 1977 and 1978? Mr. Gardiner reported to Edmond B. Johnson, Jr. (President of the bank at that time.)

4. When, if at all, did the bank first learn of Mr. Gardiner's activities on the Howell Heflin campaign and how did the bank acquire the knowledge?

Mr. Gardiner has campaigned for Howell Heflin for numerous years which was long before his campaign for Senator.

5a. We note that the bank paid seventy-five dollars on January 11, 1978 for tickets to a "Ronnie Flippo Dinner."

b. What was the purpose of this dinner?

This dinner was an appreciation dinner held by the local Chamber of Commerce attended by two officers and one director of the bank.

79040131719



# First National Bank

TUSCUMBIA, SHEFFIELD, MUSCLE SHOALS, CHEROKEE  
DRAWER 150  
TUSCUMBIA, ALABAMA 35674

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**CERTIFIED**  
No. 401707  
**MAIL**



RECEIVED  
FEDERAL ELECTION  
COMMISSION

'73 APR 13 PM 1 47

Mr. Gary D. Lipkin  
Office of General Counsel  
Federal Election Commission  
1325 K Street, N. W.  
Washington, D. C. 20463

*Return Receipt Requested*

RECEIVED  
FEDERAL ELECTION  
COMMISSION

ARC#  
9879

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

'79 APR 16 PM 12:58

ANSWERS TO INTERROGATORIES

902025

(William Gardiner-MUR 890)

(1) I was in the hospital from approximately April 27, 1976 to May 11, 1976, and the entire period of hospitalization and convalescence was about six weeks.

(2) During the month of June 1976,

a. during convalescence I did some part time work by telephone and then I would work a couple hours a day, then half a day and sometime in June went back to full time work.

b. forty hours a week would have been considered to be full time work, however, I did not work on a 8 to 5 schedule or any set schedule. My duties involved primarily business development, personal relations, customer services and at times I would work on past due loans. Due to the nature of my employment, there would be times when I would take customers or customers we were seeking to breakfast early in the morning, to lunch or to dinner, which sometimes could be late at night. I did not keep definite hours but would work more than forty hours every week.

c. Answered above.

d. My arrangements at the Bank were with Mr. John Brignet, Chairman of the Board, who was at the Bank full time. Mr. Ed Johnson, President, also agreed to the arrangement.

e. Chairman of the Board. Also, President of Bank.

(3) a. Yes. I had an office at the Bank and I would work in and out of the Bank.

(4) Chairman of the Board. This was reported to him verbally. The exact date I do not know. Also, told President.

(5) \$15,000.00

(6) \$15,000.00, however, it was subsequently raised to \$18,500.00.

(7) My duties were as explained in (2) a. above, however, for a while during 1977, I worked in the Bank, on the floor, as a Customer Service man primarily, and then served as a Loan Officer for a while due to the fact that some of the employees of the Bank had left.

79040131721

(8) As stated in (7) above, however, after serving as a Loan Officer for a while and because of my previous heart attack, I requested to be returned to my former duties as Personal Relations, Business Development, etc., and was returned to this duty. After this I worked practically all of the time out of the Bank but checked in and out of the Bank at irregular times.

(9) Vice-President, and for a while I was a Loan Officer.

(10) Vice-President.

(11) a. The main purpose of the calls referred to was to seek new Bank customers. I have served as Mayor of the City of Tusculmbia for 18 years, served as President of the League of Municipalities for the State of Alabama, and have had an active interest in politics all my life. One of the subjects that generally presents itself when I am discussing anyone who knows me at all, will be politics of some nature, local, state or national. This is merely conversation just as sometimes we discuss sports or other current matters.

b. No.

c. It is difficult to describe in a few words the substance of a conversation. However, in seeking new customers you would ordinarily endeavor to find some line of conversation in which the prospect had an interest and work into the business at hand. Many times this would be over breakfast, lunch or dinner, and then lead the conversation into the possibility of establishing an account with our Bank.

d. No.

(12) December 1, 1978.

(13) a. Did not have a title but, in general, was a jack-of-all-trades. I would contact people I knew throughout the State by telephone and solicit their support of Mr. Heflin and most of this was done after 5 o'clock in the afternoon. I would also discuss with Mr. Heflin and appropriate campaign workers as to nature and type of advertising and this was generally done over the weekends, Saturdays and Sundays. I would work in his office in Tusculmbia when not engaged in Bank business, doing anything that I could do to assist.

b. I did not report as such to anyone. I would discuss matters with Mr. Heflin when he was in town, sometimes by telephone at night, and I would discuss matters with the Campaign Manager, Mike House, mostly by telephone.

79040131722

c. Mike House and Senator Heflin are both in the United States Senate Office Building, Washington, D. C., telephone number is 224-4124.

(14)a. January 3, 1979.

b. I am listed as a Special Assistant to Senator Heflin. I represent him in meetings in Alabama when he cannot attend, coordinate and supervise his Alabama offices and such other functions requested by Senator Heflin.

*William Gardiner*  
\_\_\_\_\_  
William Gardiner

Subscribed and sworn to  
before me this 11<sup>th</sup> day  
of April, 1979.

*Norme P. House*  
\_\_\_\_\_  
Notary Public

79040131723

William F. Gardiner  
P.O. Box 228  
Tuscumbia, Alabama 35674

RECEIVED  
FEDERAL ELECTION  
COMMISSION

'79 APR 16 PM 12:58



01724  
**RETURN RECEIPT  
REQUESTED**

**CERTIFIED**

P08 0726788

**MAIL**

Mr. William C. Oldaker  
General Counsel  
Federal Election Commission  
1325 K Street N.W.  
Washington, D.C. 20453



# First National Bank

IN  
TUSCUMBIA, SHEFFIELD, MUSCLE SHOALS, CHEROKEE  
TELEPHONE (205) 383-8232

Mr 890

GCC\*  
9386

FEDERAL ELECTION COMMISSION

'79 FEB 9 AM 10:59

DRAWER 150  
TUSCUMBIA, AL. 35874

February 14, 1979

000040

Mr. Gary Lipkin  
Federal Election Commission  
Office of General Counsel  
1325 K Street, N. W.  
Washington, D. C. 20463

Dear Mr. Lipkin:

Enclosed please find an affidavit of William F. Gardiner concerning the letter and questions to Mr. Edmond B. Johnson, Jr. from Mr. William C. Oldaker dated January 11, 1979.

The affidavit is self explanatory; however, I will further explain that on January 26, 1978, at the regular meeting of the Board of Directors of the First National Bank in Tuscumbia, Alabama, I made a motion that was seconded by my son, Murray W. Beasley, Jr., and passed unanimously by the Board of Directors that due to Mr. Gardiner's previous health problems that he be removed as a loan officer and moved to outside work in new business and business development. Needless to say, Mr. Gardiner performed his duties with the bank to the satisfaction of the Board of Directors in every way and what his political activities in the afternoons, nights and weekends were was certainly no concern of ours as long as he performed his duties for the bank.

Trusting this will close this matter up and with kindest regards, I remain,

Yours very truly,

Murray W. Beasley  
Attorney

MWB:js  
Enclosure

79040131725

STATE OF ALABAMA  
COLBERT COUNTY

Before me, the undersigned authority, personally appeared William F. Gardiner, who being by me first duly sworn and being known to me deposes and says as follows:

My name is William F. Gardiner and I am a resident citizen of Colbert County and well over the age of 21 years.

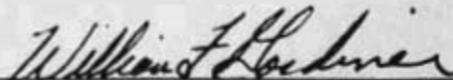
I understand that the Federal Election Commission has made an inquiry of Mr. Edmond B. Johnson, Jr., former president and chief executive officer of the First National Bank in Tuscumbia, Alabama, concerning my activities with the Howell Heflin Senate campaign.

I was a former loan officer of the First National Bank in Tuscumbia and having had a heart attack, I preferred outside work to being in an office all day and requested that I be returned to public relations for the bank. During the Howell Heflin Senate campaign, I did work for now Senator Howell Heflin mostly in the afternoons, nights and weekends; occassionally calling on prospective customers for the bank and discussing politics with them as a side effect rather than as a primary reason for my connection with these individuals.

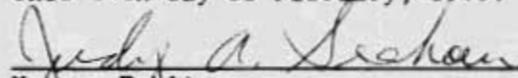
I can list hundreds of people that I called on for the bank from January 26, 1978, to my resignation in December, 1978. I worked past due loans in and out of the bank during the year 1978 as well as the public relations and new account duties I performed during the year 1978 for the First National Bank in Tuscumbia, Alabama.

I also acted as a governmental affairs liaison man for the First National Bank in Tuscumbia with the governor of the state of Alabama, state senators, state representatives, mayors of the various towns in Colbert County and County commission.

I make this affidavit for the purpose of clearing up any doubts concerning the letter and questions to Mr. Johnson from the Federal Election Commission dated January 11, 1979.

  
\_\_\_\_\_  
William F. Gardiner

Sworn and subscribed to before me  
this 14th day of February, 1979.

  
\_\_\_\_\_  
Notary Public

MY COMMISSION EXPIRES JUNE 29, 1984

79040131725



**First National Bank**

TUSCUMBIA, SHEFFIELD, MUSCLE SHOALS, CHEROKEE  
TOWER 150  
TUSCUMBIA, ALABAMA 35674



Mr. Gary Lipkin  
Federal Election Commission  
Office of General Counsel  
1325 K Street, N. W.  
Washington, D. C. 20463

7 9 0 4 0 1 3 1

## FEDERAL ELECTION COMMISSION

Edmond B. Johnson, Jr.

MUR 890 (78)

QUESTIONS

1. It has been alleged that First National Bank Vice President William F. Gardiner worked for the Howell Heflin Senate Campaign in 1978 on a full time basis. Is this true? No
- a. How many hours per week did Mr. Gardiner work on the Heflin campaign? I do not know.
- b. How long did Mr. Gardiner work on the Heflin Campaign? 900563  
I do not know.
- c. Was Mr. Gardiner in a vacation or leave status during the time he worked on the Heflin campaign? If so, provide copies of any records which reflect this. No
- d. Did Mr. Gardiner use his bank office and facilities for his work on the Heflin campaign? No
- e. What was Mr. Gardiner's yearly salary during this campaign period? \$18,500.00
- f. What are Mr. Gardiner's responsibilities as a bank official? public relations, loans, governmental relations
- (1) Did Mr. Gardiner engage in any of these responsibilities during the period noted in item "b" above? yes
- (2) About how many hours per week was Mr. Gardiner engaged in these responsibilities during the period noted in item "b" above? about 40 hrs. per week
- g. During the period noted in item "b" above, did Mr. Gardiner continue to receive his regular salary from the bank? If not, provide copies of any records which reflect this.  
Mr. Gardiner received his regular salary during the year 1978 for work he did for the bank.
- h. Does the bank have a policy regarding political contributions and activities?

No. Every officer and employee may do what they please on their own time.

79040131728

(1) If so, what is the policy and when was it first developed and disseminated?

n/a

(2) If this policy has been reduced to writing, please provide us with a copy of same.

n/a

2. It has been alleged that your bank paid seventy-five dollars on January 11, 1978 for tickets to a fundraiser for the congressional campaign of Mr. Flipppo.

- a. Is this true? No. This was an appreciation dinner given by the Chamber of Commerce attended by E. B. Johnson, Jr., Tommy Crosslin and Murray Beasley
- b. Please provide us with a copy of the check used to make this payment.

79040101729

730

# THE FIRST NATIONAL BANK

IN TUSCUMBIA

Offices In Sheffield Muscle Shoals Cherokee

No. 1028

TUSCUMBIA, ALA. January 11, 1928

BY ORDER OF THE BOARD OF DIRECTORS  
WALTER W. BERRY, Cashier

THE FIRST NATIONAL BANK  
TUSCUMBIA, ALA.  
Capital \$1,000,000  
Reserve \$200,000

WALTER W. BERRY, Cashier  
JAMES H. HARRIS, President  
JAMES H. HARRIS, Vice President  
JAMES H. HARRIS, Secretary

**FIRST NATIONAL BANK**

IN TUSCUMBIA, SHEFFIELD, MUSCLE SHOALS, CHEROKEE

DRAWER 150

TUSCUMBIA, ALABAMA 35674



79040131731



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

QUESTIONS

1. It has been alleged that First National Bank Vice President William F. Gardiner worked for the Howell Heflin Senate Campaign in 1978 on a full time basis. Is this true?
- a. How many hours per week did Mr. Gardiner work on the Heflin campaign?
  - b. How long did Mr. Gardiner work on the Heflin Campaign?
  - c. Was Mr. Gardiner in a vacation or leave status during the time he worked on the Heflin campaign? If so, provide copies of any records which reflect this.
  - d. Did Mr. Gardiner use his bank office and facilities for his work on the Heflin campaign?
  - e. What was Mr. Gardiner's yearly salary during this campaign period?
  - f. What are Mr. Gardiner's responsibilities as a bank official?
    - (1) Did Mr. Gardiner engage in any of these responsibilities during the period noted in item "b" above?
    - (2) About how many hours per week was Mr. Gardiner engaged in these responsibilities during the period noted in item "b" above?
  - g. During the period noted in item "b" above, did Mr. Gardiner continue to receive his regular salary from the bank? If not, provide copies of any records which reflect this.
  - h. Does the bank have a policy regarding political contributions and activities?

79040131732

- (1) If so, what is the policy and when was it first developed and disseminated?
- (2) If this policy has been reduced to writing, please provide us with a copy of same.

2. It has been alleged that your bank paid seventy-five dollars on January 11, 1978 for tickets to a fundraiser for the congressional campaign of Mr. Flippo.

a. Is this true?

b. Please provide us with a copy of the check used to make this payment.

79040131733

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Edmond B. Johnson, Jr.  
President  
First National Bank of Tuscumbia  
101 South Main Street  
Tuscumbia, Alabama 35744

Re: MUR 890 (78)

Dear Mr. Johnson:

The Federal Election Commission has been notified by the Regional Council, Eighth National Bank Region, that the First National Bank in Tuscumbia may have committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). We have numbered this matter MUR 890 (78).

The Commission has reason to believe that the matters noted in the referral state a violation of 2 U.S.C. §441b(a). Specifically, it appears that the activities of Vice President William F. Gardiner in the Howell Heflin Campaign constitute a violation of the prohibition on national bank political contributions contained in this section, since Mr. Gardiner received his full and regular salary from the Bank while working for the Heflin Campaign, on a full-time basis. The bank's payment of seventy-five dollars for the purchase of tickets to a Flipflo fundraiser is likewise a violation of this section.

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.

79040131734



FEDERAL ELECTION COMMISSION

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

January 11, 1979

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Edmond B. Johnson, Jr.  
President  
First National Bank of Tuscumbia  
101 South Main Street  
Tuscumbia, Alabama 35674

Re: MUR 890 (78)

Dear Mr. Johnson:

The Federal Election Commission has been notified by the Regional Counsel, Eighth National Bank Region, that the First National Bank in Tuscumbia may have committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). We have numbered this matter MUR 890 (78).

The Commission has reason to believe that the matters noted in the referral state a violation of 2 U.S.C. §441b(a). Specifically, it appears that the activities of Vice President William F. Gardiner in the Howell Heflin Campaign constitute a violation of the prohibition on national bank political contributions contained in this section, since Mr. Gardiner received his full and regular salary from the Bank while working for the Heflin campaign on a full-time basis. The bank's payment of seventy-five dollars for the purchase of tickets to a Flippo fundraiser is likewise a violation of this section.

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.

79040131735

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 D. Lipkin, the attorney assigned to this matter, at 202-523-4175.

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

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

Sincerely,

*William C. Oldaker*

William C. Oldaker  
General Counsel

Enclosure

7 2 b 4 0 1 3 1 7 3 6

*Lipkin*      *MUR-890 (78)*

PS Form 3811, Apr. 1977

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  
*Edmond B. Johnson, Jr.*

3. ARTICLE DESCRIPTION:  
 REGISTERED NO. *94384*      CERTIFIED NO.      INSURED NO.

(Always obtain signature of addressee or agent)  
 I have received the article described above.  
 SIGNATURE  Addressee       Authorized agent  
*Edmond B. Johnson, Jr.*  
 DATE OF DELIVERY

4. ADDRESS (Complete only if necessary)

5. UNABLE TO DELIVER BECAUSE

PS Form 3811, Apr. 1977

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 D. Lipkin, the attorney assigned to this matter, at 202-523-4175.

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

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

Sincerely,

William C. Oldaker  
General Counsel

Enclosure

79040131737

*WCO*  
11/8/79

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
First National Bank, Tuscumbia, )  
Alabama )

MUR 890

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on January 5, 1979, the Commission determined by a vote of 5-0 to adopt the following recommendations, as set forth in the First General Counsel's Report dated January 2, 1979, regarding the above-captioned matter:

1. Find reason to believe that the First National Bank, Tuscumbia, Alabama, violated 2 U.S.C. §441b(a).
2. Approve the letter and questions which were attached to the above-named report.

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

Attest:

1/5/79  
Date

*Marjorie W. Emmons*

Marjorie W. Emmons  
Secretary to the Commission

Received in Office of Commission Secretary: 1-2-79, 2:46  
Circulated on 48 hour vote basis: 1-3-79, 11:00

79040131738

RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL  
BY OGC TO THE COMMISSION JAN 2 1979

79 JAN 2 P 2: 46  
MUR NO. 890  
DATE COMPLAINT RECEIVED  
BY OGC \_\_\_\_\_  
STAFF  
MEMBER Lipkin

SOURCE: Referral from the Comptroller of the Currency

RESPONDENT'S NAME: First National Bank, Tuscumbia, Alabama

RELEVANT STATUTE: 2 U.S.C. §441b(a)

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: Comptroller of the Currency

BACKGROUND

This matter was referred to the Commission by the Comptroller of the Currency in a letter dated November 6, 1978. On December 8, 1978, the Commission accepted the General Counsel's recommendation that a MUR file be opened and an investigation commence (pre-MUR 15).

EVIDENCE

A routine examination of the First National Bank, Tuscumbia, Alabama (FNB) in August, 1978 revealed that a bank vice president, William F. Gardiner, was contributing his service on a full-time basis to the ultimately successful senatorial campaign of Howell Heflin. The National Bank Examiner was able to determine that Mr. Gardiner was not in a vacation or leave status and drew his full salary (between \$17,000 and \$24,000 per annum) from the bank while working for the Heflin campaign. The precise length of time Mr. Gardiner worked on the campaign is not known; however, the examiner noted that Mr. Gardiner was working for Heflin for at least as long as the one month period of the examination. When this practice was discussed with bank officials, it was claimed that Mr. Gardiner's activities were good "public relations" for the bank.

The examination of FNB also revealed an expense check, dated January 11, 1978, payable to a bank director in the amount of seventy-five dollars, for the purchase of three tickets to a fundraiser for the congressional campaign of a Mr. Flipppo.

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ANALYSIS

Section 441b(b)(2) of the Act includes in the definition of contribution, "services, or anything of value." Section 441b(a) prohibits national banks from making any contribution to any political campaign. The evidence presented indicates that the bank made a "contribution" of the services of one of its officers to a federal campaign and suggests a violation of the national bank contribution prohibition of 2 U.S.C. §441b (a).

Commission policy is not to proceed against possible §441b violations of less than \$100. While the contribution of \$75 to the Flippo campaign is beneath this threshold, it was referred to us as part of a matter potentially involving an in-kind §441b contribution of several thousand dollars by the same respondent. In this context, we recommend including it as part of our investigation of this matter.

RECOMMENDATIONS

1. Find reason to believe that the First National Bank, Tuscumbia, Alabama, violated 2 U.S.C. §441b(a).
2. Approve the attached letter and the questions appended thereto.

79040131740

ATTACHMENTS

1. Letter of referral
2. Letter and questions to respondent



Comptroller of the Currency  
Administrator of National Banks

NOV 13 11:04

Eighth National Bank Region  
165 Madison Avenue, Suite 800  
Memphis, Tennessee 38103

807763

November 6, 1978

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

Dear Sirs,

During the course of a recent examination of the First National Bank in Tuscumbia, Alabama, conducted in August of 1978, National Bank Examiner Dale Wilson discovered facts which this Office believes may constitute violations of the Federal Election Campaign Act. A description of these facts is contained below and this matter is referred to you for whatever action you deem appropriate.

Examiner Wilson discovered that the Vice President of the bank, William F. Gardiner, was contributing his services to the election campaign of Mr. Heflin, a United States Senatorial candidate, while Mr. Gardiner was in a salaried status at the First National Bank in Tuscumbia, (Tuscumbia). The exact period of his services is not known, however, the time period of Gardiner's services to Mr. Heflin's campaign exceeded the one-month period of Examiner Wilson's examination. Examiner Wilson was able to verify that Gardiner was not on vacation, nor was he in a leave status while donating his services to Mr. Heflin's campaign. When Examiner Wilson discussed this with officials of the bank, they did not consider anything improper with it and, in fact, thought it would help them in the future if Mr. Heflin were elected. Subsequently, these officials claimed that Gardiner, by donating his services to Mr. Heflin's campaign, was working on public relations on behalf of the bank.

These facts appear to constitute a violation of the Federal Election Campaign Act, specifically, 2 U.S.C. 441b(2), as further clarified and defined by 18 U.S.C. 591(e)(1) and (4).

Additionally, Examiner Wilson discovered an expense check, dated January 11, 1978, payable to Director Beasley in the amount of \$75.00 for three tickets to a campaign fund-raising dinner for Mr. Flippo, a U. S. Congressional candidate. The voucher containing evidence of this expense check can be found at the Tuscumbia bank.

79040131741

January 2, 1979

MEMORANDUM TO: Maggie Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 890

Please have the attached First General Counsel's Report on MUR 890 distributed to the Commission on a 48 hour tally basis.

Thank you.

79040131742



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Edmond B. Johnson, Jr.  
President  
First National Bank of Tuscumbia  
101 South Main Street  
Tuscumbia, Alabama 35674

Re: MUR 890 (78)

Dear Mr. Johnson:

The Federal Election Commission has been notified by the Regional Counsel, Eighth National Bank Region, that the First National Bank in Tuscumbia may have committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). We have numbered this matter MUR 890 (78).

The Commission has reason to believe that the matters noted in the referral state a violation of 2 U.S.C. §441b(a). Specifically, it appears that the activities of Vice President William F. Gardiner in the Howell Heflin Campaign constitute a violation of the prohibition on national bank political contributions contained in this section, since Mr. Gardiner received his full and regular salary from the Bank while working for the Heflin campaign on a full-time basis. The bank's payment of seventy-five dollars for the purchase of tickets to a Flippo fundraiser is likewise a violation of this section.

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 D. Lipkin, the attorney assigned to this matter, at 202-523-4175.

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

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

Sincerely,

William C. Oldaker  
General Counsel

Enclosure

These facts appear to violate the Federal Election Campaign Act, specifically, 2 U.S.C. 441b(2), as further clarified and defined by 18 U.S.C. 591(f)(1).

If I can be of any assistance regarding the above matters, please do not hesitate to contact me at (901) 521-3033 or FTS 222-3033. If you feel it necessary to discuss these matters with National Bank Examiner Dale Wilson, you can call this Office to ascertain his present work location.

Very truly yours,

*Bruce A. Heitz*  
Bruce A. Heitz  
Regional Counsel

79040131745

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	Pre-MUR 15
Referral from the Comptroller of	)	
the Currency	)	
	)	
William F. Gardiner	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on December 8, 1978, the Commission approved by a vote of 5-0 the recommendation to open a MUR in relation to the above-captioned matter due to the facts presented in the General Counsel's memorandum dated December 5, 1978.

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

79040131746

12/8/78

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary to the Commission

Received in Office of Commission Secretary:	12-5-78, 2:54
Circulated on 48 hour vote basis:	12-6-78, 9:00



FEDERAL ELECTION COMMISSION

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

RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

70 DEC 5 P 2: 54

December 5, 1978

MEMORANDUM

TO: The Commission

FROM: William C. Oldaker *W.C. Oldaker*

DATE: December 1, 1978

RE: Referral from the Comptroller of the Currency -  
Pre-MUR 15

In a letter received by the Office of the General Counsel on November 14, 1978, the Comptroller of the Currency has alerted us to certain matters that appear to violate portions of the Act.

During an August, 1978 examination of the First National Bank, Tuscumbia, Alabama, it was discovered that a bank Vice President was contributing his services on a full-time basis to the ultimately successful senatorial campaign of Howell Heflin. This individual was not on vacation or leave status and received his full salary (between \$17,000 and \$24,000 per year) during this time. The length of time this officer worked on the Heflin campaign is not known. However, the time period was at least as long as the one month period of the bank examination.

When the National Bank Examiner discussed this with bank officials, they felt there was nothing improper with the arrangement; later, they claimed that it was good "public relations" for the bank.

Section 441b(b)(2) includes in the definition of contribution "services, or anything of value." Accordingly, the prohibition on contributions by a national bank of 2 U.S.C. 441b(a) appears to have been violated by this arrangement.

The examination also revealed an expense check, dated January 11, 1978, drawn on the bank in the amount of \$75.00, payable to a bank director for the purchase of three tickets to a fund raiser for the congressional campaign of a Mr. Flippo. This also appears to be a violation of 2 U.S.C. 441b(a).

79040131747

In light of the above, it is recommended that a MUR file be opened for this matter.

ATTACHMENT

Letter of Referral

79040131748

Comptroller of the Currency  
Administrator of National Banks

NOV 13 11:04

Eighth National Bank Region  
165 Madison Avenue, Suite 800  
Memphis, Tennessee 38103

807763

November 6, 1978

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

Dear Sirs,

During the course of a recent examination of the First National Bank in Tuscumbia, Alabama, conducted in August of 1978, National Bank Examiner Dale Wilson discovered facts which this Office believes may constitute violations of the Federal Election Campaign Act. A description of these facts is contained below and this matter is referred to you for whatever action you deem appropriate.

Examiner Wilson discovered that the Vice President of the bank, William F. Gardiner, was contributing his services to the election campaign of Mr. Heflin, a United States Senatorial candidate, while Mr. Gardiner was in a salaried status at the First National Bank in Tuscumbia, (Tuscumbia). The exact period of his services is not known, however, the time period of Gardiner's services to Mr. Heflin's campaign exceeded the one-month period of Examiner Wilson's examination. Examiner Wilson was able to verify that Gardiner was not on vacation, nor was he in a leave status while donating his services to Mr. Heflin's campaign. When Examiner Wilson discussed this with officials of the bank, they did not consider anything improper with it and, in fact, thought it would help them in the future if Mr. Heflin were elected. Subsequently, these officials claimed that Gardiner, by donating his services to Mr. Heflin's campaign, was working on public relations on behalf of the bank.

These facts appear to constitute a violation of the Federal Election Campaign Act, specifically, 2 U.S.C. 441b(2), as further clarified and defined by 18 U.S.C. 591(e)(1) and (4).

Additionally, Examiner Wilson discovered an expense check, dated January 11, 1978, payable to Director Beasley in the amount of \$75.00 for three tickets to a campaign fund-raising dinner for Mr. Flipppo, a U. S. Congressional candidate. The voucher containing evidence of this expense check can be found at the Tuscumbia bank.

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These facts appear to violate the Federal Election Campaign Act, specifically, 2 U.S.C. 441b(2), as further clarified and defined by 18 U.S.C. 591(f)(1).

If I can be of any assistance regarding the above matters, please do not hesitate to contact me at (901) 521-3033 or FTS 222-3033. If you feel it necessary to discuss these matters with National Bank Examiner Dale Wilson, you can call this Office to ascertain his present work location.

Very truly yours,

*Bruce A. Heitz*  
Bruce A. Heitz  
Regional Counsel

79040131750

December 5, 1978

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Garr  
SUBJECT: ESR NOR 15

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

Thank you.

790401J1751

CXC-  
5553



Comptroller of the Currency  
Administrator of National Banks

NOV 13 11:04

Eighth National Bank Region  
165 Madison Avenue, Suite 800  
Memphis, Tennessee 38103

807763

November 6, 1978

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

Dear Sirs,

During the course of a recent examination of the First National Bank in Tuscumbia, Alabama, conducted in August of 1978, National Bank Examiner Dale Wilson discovered facts which this Office believes may constitute violations of the Federal Election Campaign Act. A description of these facts is contained below and this matter is referred to you for whatever action you deem appropriate.

Examiner Wilson discovered that the Vice President of the bank, William F. Gardiner, was contributing his services to the election campaign of Mr. Heflin, a United States Senatorial candidate, while Mr. Gardiner was in a salaried status at the First National Bank in Tuscumbia, (Tuscumbia). The exact period of his services is not known, however, the time period of Gardiner's services to Mr. Heflin's campaign exceeded the one-month period of Examiner Wilson's examination. Examiner Wilson was able to verify that Gardiner was not on vacation, nor was he in a leave status while donating his services to Mr. Heflin's campaign. When Examiner Wilson discussed this with officials of the bank, they did not consider anything improper with it and, in fact, thought it would help them in the future if Mr. Heflin were elected. Subsequently, these officials claimed that Gardiner, by donating his services to Mr. Heflin's campaign, was working on public relations on behalf of the bank.

These facts appear to constitute a violation of the Federal Election Campaign Act, specifically, 2 U.S.C. 441b(2), as further clarified and defined by 18 U.S.C. 591(e)(1) and (4).

Additionally, Examiner Wilson discovered an expense check, dated January 11, 1978, payable to Director Beasley in the amount of \$75.00 for three tickets to a campaign fund-raising dinner for Mr. Flipppo, a U. S. Congressional candidate. The voucher containing evidence of this expense check can be found at the Tuscumbia bank.

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These facts appear to violate the Federal Election Campaign Act, specifically, 2 U.S.C. 441b(2), as further clarified and defined by 18 U.S.C. 591(f)(1).

If I can be of any assistance regarding the above matters, please do not hesitate to contact me at (901) 521-3033 or FTS 222-3033. If you feel it necessary to discuss these matters with National Bank Examiner Dale Wilson, you can call this Office to ascertain his present work location.

Very truly yours,

*Bruce A. Heitz*  
Bruce A. Heitz  
Regional Counsel

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Postage and  
Department of  
Treasury

FIRST

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



FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF OUR # 890

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