



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR #: 927

Date Filmed 5/30/79 Camera No. --- 2

Cameraman GPC

79040130480

79040130401

D. Brown MUR 92

PS Form 3811, April 1967 REGISTERED RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

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

1. The following service is requested (check one) ^{N2}

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
Robert W. Mills

3. ARTICLE DESCRIPTION

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943620	

(Always obtain signature of addressee or agent)

I have received the article described above:

SIGNATURE Addressee Authorized agent

[Signature]

4. DATE OF DELIVERY

5. ADDRESS (Complete only if required)

6. UNABLE TO DELIVER BECAUSE

CLERK'S INITIALS

REGISTERED MAIL
MAY 1979



FEDERAL ELECTION COMMISSION

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

May 4, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank
Supervision
Comptroller of the Currency
Washington, D.C. 20219

RE: Comptroller Referral of
February 2, 1978

Dear Mr. Homan:

The Federal Election Commission has voted to terminate its inquiry into the First Arlington National Bank of Arlington Heights, Illinois. The Commission determined that substantial compliance has been achieved with respect to the allegations in your referral.

A copy of the Commission's determination is enclosed for your information. If you have any questions, please contact Duane A. Brown, the attorney assigned to this matter, at 523-4057.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission Certification



CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank
Supervision
Comptroller of the Currency
Washington, D.C. 20219

RE: Comptroller Referral of
February 2, 1978

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A copy of the Commission's determination is enclosed for your information. If you have any questions, please contact Duane A. Brown, the attorney assigned to this matter, at 523-4057.

Sincerely,

William C. Olsaker
General Counsel

Enclosure

Commission Certification

WCO

79040130483



FEDERAL ELECTION COMMISSION

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

May 4, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street-Box 247
Arlington Heights, Illinois 60006

RE: MUR 927

Dear Mr. Mills:

On April 26, 1979, the Commission voted to terminate its investigation in the above-referenced matter. A copy of the Commission's determination is enclosed for your information. Accordingly, the Commission intends to close its files in this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission Certification



40130484

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street-Box 247
Arlington, Heights, Illinois 60006

RE: MUR 927

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Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission Certification



79040130485



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
DATE: APRIL 23, 1979
SUBJECT: OBJECTION - MUR 927 - General Counsel's
Report dated 4-13-79; Received in OCS
4-20-79, 3:32

The above-named document was circulated on a 48
hour vote basis at 11:00, April 23, 1979.

Commissioner Harris submitted an objection at 12:20
April 23, 1979 thereby placing MUR 927 on the Amended
Agenda for the Executive Session of April 25, 1979.

79040130487

April 20, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 927

Please have the attached General Counsel's Report on MUR 927 distributed to the Commission on a 48 hour tally basis.

Thank you.

79040130488

BEFORE THE FEDERAL ELECTION COMMISSION
April 13, 1979

79 APR 20 P 3: 32
MUR 927

In the Matter of the)
)
First Arlington National)
Bank)

GENERAL COUNSEL'S REPORT

On March 19, 1979, the Commission adopted the recommendation of the General Counsel and found reason to believe that the First Arlington National Bank violated 2 U.S.C. §441b by making several contributions/expenditures in favor of the Wheeling Township Regular Democratic Organization and the Wheeling Township Republican Organization.

LEGAL ANALYSIS

In response to the Commission's RTB finding (Attachment), the First Arlington National Bank, through its President Robert W. Mills, reported that the contributions/expenditures (approximately \$750.00 dating back to 1976) were expended as a direct result of solicitation and resulted in either dinner tickets or advertising. Moreover, Mr. Mills states that there was no intent on the part of the Bank or its Board of Directors to violate the Act by this practice. Finally, the bank was reimbursed for the contribution/expenditures on March 12, 1979, before it received the Commission's reason to believe notice, and Mr. Mills has assured the Commission that the practice of purchasing dinner tickets or ad space in connection with local political programs has been terminated.

79040130489

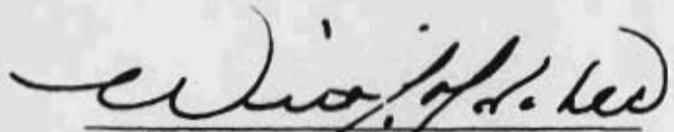
CONCLUSION

Since the contributions/expenditures totalling approximately \$750.00 over a period of three years have been reimbursed to the bank and since the bank has agreed to terminate its practice of purchasing dinner tickets and ad space in connection with local political programs, the General Counsel recommends that no further action be taken at this time and to close the file.

RECOMMENDATION

1. Take no further action.
2. Close the file.
3. Send the appropriate letters.

4/20/79
Date


William C. Oldaker
General Counsel

Attachments

- Letter to Robert Mills
- Letter to Paul Homan
- Letter from Robert Mills

79040130490

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 927
First Arlington National Bank)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 19, 1979, the Commission determined by a vote of 6-0 to adopt the following recommendations, as set forth in the First General Counsel's Report dated March 15, 1979, regarding the above-captioned matter:

1. Find reason to believe that the First Arlington National Bank violated 2 U.S.C. §441b.
2. Send the appropriate letters.

Attest:

3/19/79

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 3-15-79, 10:30
Circulated on 48 hour vote basis: 3-15-79, 1:00

79040130491



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Re: MUR 927

Dear Mr. Mills:

On April , 1979, the Commission voted to terminate its investigation in the above-referenced matter. A copy of the Commission's determination and the General Counsel's Report is enclosed for your information. Accordingly, the Commission intends to close its files in this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosures:

1. Commission Certification

130492



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank
Supervision
Comptroller of the Currency
Washington, D.C. 20219

Re: Comptroller Referral of
February 2, 1978

Dear Mr. Homan:

The Federal Election Commission has voted to terminate its inquiry into the First Arlington National Bank of Arlington Heights, Illinois. The Commission determined that substantial compliance has been achieved with respect to the allegations in your complaint.

A copy of the Commission's determination and the General Counsel's Report is enclosed for your information. If you have any questions, please contact Duane A. Brown, the attorney assigned this matter, at 523-4057.

Sincerely,

William C. Oldaker
General Counsel

Enclosures:

1. Commission Certification

30493

D. Brown / ACC# 9756

RECEIVED
FEDERAL ELECTION
COMMISSION

First Arlington NATIONAL BANK

ONE NORTH DUNTON, ARLINGTON HEIGHTS, ILLINOIS 60006. PHONE (312) 870-3500. MEMBER FDIC

MAR 29 AM 11:19

March 26, 1979

Mr. Duane Brown
Attorney at Law
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

901802

Re: MUR 927

On December 6, 1978, our Board of Directors was notified by the Regional Counsel of the Comptroller of Currency of a possible violation of 2 U.S.C. §441b dating back to 1976 and totalling \$480.00. Research of all bank records spanning 1976 to present indicated a total of \$749.50 could be considered in violation, as reported in my letter of December 14, 1978. These funds were expended as a direct result of solicitation and resulted in either dinner tickets or advertising. Three separate audits by outside CPA firms, including Price Waterhouse, three bank examinations by the Office of the Comptroller of the Currency and an audit by the Internal Revenue Service of our 1976 return failed to disclose any misinterpretation or intent to violate the Federal Election Campaign Act of 1971 concerning these expenditures.

The Regional Counsel of the Comptroller of the Currency responded to our report of December 14, 1978 by his letter of February 26, 1979, stating that the expenditures were in violation by his interpretation. He further referred to the expenditures as unsafe and unsound actions by the officers and directors. Because of the definitive position of this regulatory agency, the Board of Directors at its regular meeting on March 12, 1979 directed that the Bank be reimbursed for the entire amount without protest and this action was consummated.

Obviously, there was no intent on behalf of the Board of Directors, nor the Management, past or present, to violate

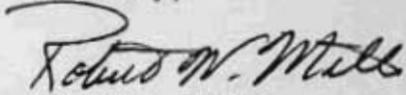
79040130494

MAR 29 2:38

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

any law or regulation. It is further clear that neither outside accountants nor Federal Agencies found practices in their examination of the Bank to indicate action should be initiated against, or by, the Bank. Accordingly, we request that the entire matter be dismissed as an honest error of minor concern to the safety of the Bank and the integrity of the political system.

Sincerely,



Robert W. Mills
President

79040130495



Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

December 6, 1978

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Dear Ms. Brehm and Gentlemen:

Recently, we became aware that the records of the State Board of Elections reportedly indicate that the First Arlington National Bank ("Bank") has made "type four" contributions to a political candidate or organization. These contributions generally consist of items such as the purchase of advertisements in political ad books or the purchase of tickets to political dinner/dances or similar activities. Specifically, we are advised the Bank contributed the following amounts for the benefit of the Wheeling Township Republican Organization:

August 25, 1977	\$160.00
April 4, 1977	\$200.00
September 10, 1976	\$120.00

We would like to take this opportunity to discuss such expense items in light of the Federal Election Campaign Act of 1971, as amended (hereinafter the "Act"), 2 U.S.C. §431, et seq.

79040130496

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

You should be aware that the Act, (2 U.S.C. §441b(a)), prohibits national banks from making any "contribution or expenditure" to any political candidate or organization. As stated in Section 441b:

"... the term 'contribution or expenditure' shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services, or anything of value ... to any candidate, campaign committee, or political party or organization in connection with any election"

Accordingly, the issue raised by the above described action of the Bank is whether such an expense item constitutes a contribution or expenditure in connection with an election. It is our opinion, an opinion shared by the Federal Election Commission, that the purchase of dinner/dance tickets to a political event or the purchase of an advertisement in a political ad book constitutes an expenditure prohibited by the Act.

Under the Act and Regulations promulgated by the Federal Election Commission pursuant to its authority under the Act (11 C.F.R. §100.1, et seq.), advertisements purchased in publications sponsored by a candidate or political committee are not excepted from the definition of "expenditure." Similarly, the purchase of tickets to politically sponsored events enjoy no such exemption. Further, while one might question whether such expenditures are "in connection with the election to any political office", we point out that the prime purpose of a political committee is to influence the nomination or election of that party's candidates. All monies received by the committee, including those received from ad books and dinner/dances, either directly or indirectly further that purpose.

79040130497

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Three

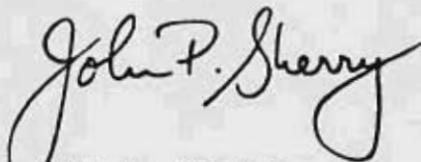
In view of the foregoing, we request that the Bank refrain from any future expenditures for the benefit of political committees or candidates. Further, we ask you to initiate a review of the Bank's expenses for the years 1976, 1977 and 1978, and to advise us of any expenditures made to any political candidates or committees. Your report on these expenditures should include the following:

1. the names of the recipients of the expenditures;
2. the dates on which the expenditures were made;
3. the amount of each expenditure, including a copy of the appropriate expense check;
4. the purpose of such expenditures, e.g., advertisements in political ad books, dinner/dance tickets, etc.

Finally, we request advice as to whether the Bank has or will be reimbursed for these expenditures.

We await your report on this matter. Should you have any questions, please do not hesitate to contact this Office.

Very truly yours,



John P. Sherry
Regional Counsel

79040130498

December 14, 1978

Mr. John P. Sherry, Regional Counsel
Comptroller of the Currency
Seventh National Bank Region
233 South Wacker Drive, Suite 5750
Chicago, Illinois 60606

Re: Your letter of December 6, 1978
"type four" contributions

The Board of Directors has reviewed the referenced letter and Article 2 U.S.C. 441b(a). We regret our misinterpretation of the intent of this paragraph as evidenced by our actions for the years 1976, 1977 and 1978 which you have brought to our attention. Obviously, these expenses were as a result of solicitations from the various organizations who were also unaware that this type of expense might be construed to be in violation of regulations.

It is, of course, our opinion that we were purchasing advertising or in reality paying for a meal which was served and not making political donations as interpreted.

Accordingly, First Arlington National Bank will refrain from further expenditures for the benefit of political candidates of this nature. We have reviewed the Bank expense for the years 1976, 1977 and 1978 and enclose a list of expenditures of this nature. The report attached includes the name of recipient, dates, amounts where indicated, and the purpose.

Due to the long standing misinterpretation of this regulation and the fact that the expenditures are of a rather minor nature and the fact that the people responsible for authorizing these expenditures are no longer employed by this Bank, we will not seek reimbursement on any item.

If additional information is required please do not hesitate to contact me.

Sincerely,

Robert W. Mills
President

79040130499



Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

February 26, 1979

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Ms. Brehm and Gentlemen:

We are in receipt of your letter of December 14, 1978, responding to our inquiry concerning political contributions.

Based upon our review of your letter, we conclude that funds of the First Arlington National Bank ("Bank") have been disbursed for purposes prohibited by the Federal Election Campaign Act of 1971, as amended (the "Act"), 2 U.S.C. §431, et seq. Despite the prohibited nature of these expenditures, you advise that you have elected not to seek and/or to reimburse the Bank for the amount of the disbursements. We can not accept this position.

Our concern in this matter is quite simple. The Bank has wrongfully been deprived of its assets through violations of law and unsafe and unsound actions of its officers and/or directors. The resulting loss from these actions shall not fall upon the Bank. Rather, owing to your fiduciary responsibility to the Bank, as well as your obligation to manage the affairs of the Bank in accordance with law, it is your responsibility to make the Bank whole.

749.50

79040130500

February 26, 1979

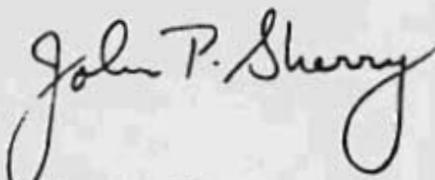
Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

We are not concerned about the source of reimbursement, whether it be from the recipients of the disbursements, the individuals at the Bank who authorized the payments, or from the individual members of the Board of Directors. This choice is within your discretion. However, consistent with your obligations as directors of a national bank, you must initiate the appropriate action to repair the damage to the Bank.

Please advise us of the action you will initiate.

Very truly yours,



John P. Sherry
Regional Counsel

79040130501

BCC 9756

RECEIVED
FEDERAL ELECTION
COMMISSION

First Arlington NATIONAL BANK

ONE NORTH DUNTON, ARLINGTON HEIGHTS, ILLINOIS 60006. PHONE (312) 870-3500. MEMBER FDIC

79 MAR 29 AM 11:19

March 26, 1979

Mr. Duane Brown
Attorney at Law
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

901802

Re: MUR 927

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79 MAR 29 2:38

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

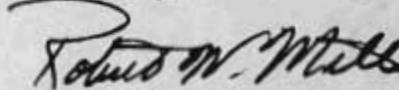
Mr. Duane Brown

-2-

March 26, 1979

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Sincerely,



Robert W. Mills
President

79040130503

Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

December 6, 1978

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

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79010130504

1987/10/11

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

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79010130505

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Three

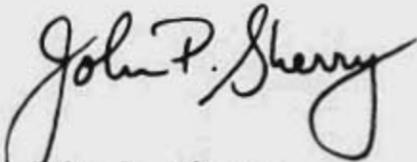
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4. the purpose of such expenditures, e.g., advertisements in political ad books, dinner/dance tickets, etc.

Finally, we request advice as to whether the Bank has or will be reimbursed for these expenditures.

We await your report on this matter. Should you have any questions, please do not hesitate to contact this Office.

Very truly yours,



John P. Sherry
Regional Counsel

19001130506

December 14, 1978

Mr. John P. Sherry, Regional Counsel
Comptroller of the Currency
Seventh National Bank Region
233 South Wacker Drive, Suite 5750
Chicago, Illinois 60606

Re: Your letter of December 6, 1978
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The Board of Directors has reviewed the referenced letter and Article 2 U.S.C. 441b(a). We regret our misinterpretation of the intent of this paragraph as evidenced by our actions for the years 1976, 1977 and 1978 which you have brought to our attention. Obviously, these expenses were as a result of solicitations from the various organizations who were also unaware that this type of expense might be construed to be in violation of regulations.

It is, of course, our opinion that we were purchasing advertising or in reality paying for a meal which was served and not making political donations as interpreted.

Accordingly, First Arlington National Bank will refrain from further expenditures for the benefit of political candidates of this nature. We have reviewed the Bank expense for the years 1976, 1977 and 1978 and enclose a list of expenditures of this nature. The report attached includes the name of recipient, dates, amounts where indicated, and the purpose.

Due to the long standing misinterpretation of this regulation and the fact that the expenditures are of a rather minor nature and the fact that the people responsible for authorizing these expenditures are no longer employed by this Bank, we will not seek reimbursement on any item.

If additional information is required please do not hesitate to contact me.

Sincerely,

Robert W. Mills
President

79040130507

Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

February 26, 1979

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Ms. Brehm and Gentlemen:

We are in receipt of your letter of December 14, 1978, responding to our inquiry concerning political contributions.

Based upon our review of your letter, we conclude that funds of the First Arlington National Bank ("Bank") have been disbursed for purposes prohibited by the Federal Election Campaign Act of 1971, as amended (the "Act"), 2 U.S.C. §431, et seq. Despite the prohibited nature of these expenditures, you advise that you have elected not to seek and/or to reimburse the Bank for the amount of the disbursements. We can not accept this position.

Our concern in this matter is quite simple. The Bank has wrongfully been deprived of its assets through violations of law and unsafe and unsound actions of its officers and/or directors. The resulting loss from these actions shall not fall upon the Bank. Rather, owing to your fiduciary responsibility to the Bank, as well as your obligation to manage the affairs of the Bank in accordance with law, it is your responsibility to make the Bank whole.

749.50

79040130508

February 26, 1979

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

We are not concerned about the source of reimbursement, whether it be from the recipients of the disbursements, the individuals at the Bank who authorized the payments, or from the individual members of the Board of Directors. This choice is within your discretion. However, consistent with your obligations as directors of a national bank, you must initiate the appropriate action to repair the damage to the Bank.

Please advise us of the action you will initiate.

Very truly yours,

John P. Sherry

John P. Sherry
Regional Counsel

79040130509



First Arlington

NATIONAL BANK

ONE NORTH DUNTON ARLINGTON HEIGHTS ILLINOIS 60006

7 9 0 4 0 1 3 0 5 1 0

79 MAR 29 AM 11:19

Mr. Duane Brown
Attorney at Law
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463



FEDERAL ELECTION COMMISSION

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

March 22, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank Supervision
Comptroller of the Currency
Washington, D.C. 20219

Dear Mr. Homan:

This is to acknowledge receipt of your letter of February 2, 1979, inquiring into the possibility of a violation of the Federal Election Campaign Act of 1971, as amended. We are currently reviewing this matter.

If you have any questions, please call Duane A. Brown, the attorney assigned to this matter, at (202) 523-4057.

Sincerely,

William C. Oldaker
General Counsel

PS Form 3811, Apr 1977

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

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

2. ARTICLE ADDRESSED TO
Paul M. Homan

3. ARTICLE DESCRIPTION REGISTERED NO. CERTIFIED NO. INSURED NO.
9832

(Always obtain signature of addressee or agent)
 I have received the article described above.
 SIGNATURE: [Signature] AUTHORIZED AGENT

DATE OF DELIVERY 1979
 DIVISION
 POSTMARK

5. ADDRESS (Complete only if restricted)

6. UNABLE TO DELIVER BECAUSE

CLERK'S INITIALS

PS Form 3811-0-246-550

79040130511

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank Supervision
Comptroller of the Currency
Washington, D.C. 20219

Dear Mr. Homan:

This is to acknowledge receipt of your letter of February 2, 1979, inquiring into the possibility of a violation of the Federal Election Campaign Act of 1971, as amended. We are currently reviewing this matter.

If you have any questions, please call Duane A. Brown, the attorney assigned to this matter, at (202) 523-4057.

Sincerely,

William C. Oldaker
General Counsel

WCO
/

79040130512



FEDERAL ELECTION COMMISSION

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

March 22, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

RE: MUR 927

Dear Mr. Mills:

The Federal Election Commission has received a complaint which alleges your bank committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered the matter MUR 927. The Commission has reason to believe that the matters alleged state a violation of 2 U.S.C. §441b. Specifically, it appears that the First Arlington National Bank made several contributions/expenditures in favor of the Wheeling Township Regular Democratic Organization and the Wheeling Township Republican Organization.

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 submitted within ten days after your receipt of this notification.

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

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



79040130513

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
Complaint

79040130514

Milk #27 D. Brown

PS Form 3811, Apr 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

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

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

2. ARTICLE ADDRESSED TO:
*ROBERT PHILLIPS
 1ST ARLINGTON NAT'L.
 1 N. DUPONT CIRCLE
 ARLINGTON HEIGHTS, ILL.*

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
94000

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY *3* POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:
 CLERK'S INITIALS

☆GPO: 1977-0-249-596

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunston Street - Box 247
Arlington Heights, Illinois 60006

RE: P-8 MUR 927

Dear Mr. Mills:

The Federal Election Commission has received a complaint which alleges your bank committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered the matter PMER 92716. The Commission has reason to believe that the matters alleged state a violation of 2 U.S.C. §441b. Specifically, it appears that the First Arlington National Bank made several contributions/expenditures in favor of the Wheeling Township Regular Democratic Organization and the Wheeling Township Republican Organization.

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 submitted within ten days after your receipt of this notification.

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

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

79040130515

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

Complaint

WCO

79040130516

March 15, 1979

MEMORANDUM TO: Marge Emmons
FROM: Jane Colgrove
SUBJECT: MUR 927

Please have the attached First General Counsel's Report on MUR 927 distributed to the Commission on a 48 hour tally basis.

Thank you.

79040130517

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

RECEIVED
OFFICE OF THE
SECRETARY

FIRST GENERAL COUNSEL'S REPORT A10: 30
75 MAR 15

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION MAR 15 1979

MUR NO. MUR 927
DATE COMPLAINT RECEIVED
BY OGC _____
STAFF _____
MEMBER Duane Brown

SOURCE: Comptroller of the Currency
Administrator of National Banks

RESPONDENT'S NAME: First Arlington National Bank

RELEVANT STATUTE: 2 U.S.C. §441b

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

This matter was referred to the Commission by the Comptroller of the Currency as a result of information discovered in the records by the State Board of Elections of Illinois. The Comptroller alleges that the Respondent, First Arlington National Bank, committed a possible violation of the Act when the latter made several contributions for the benefit of both the Wheeling Township Republican Organization and the Wheeling Township Democratic Organization. Specifically, contributions for political dinner/dances and similar politically sponsored activities were made.

LEGAL ANALYSIS

Under 2 U.S.C. §441b of our Act, National banks are prohibited from making any "contribution or expenditure" in connection with any election to a political office. 2 U.S.C. §441b(b) (2) states that:

"... [T]he term 'contribution or expenditure' shall include any direct or indirect payment, distribution loan, advance, deposit, or gift of money... or anything of value...to any candidate, campaign committee, or political committee or organization in connection with any election... ."

79040130518

It appears that the expenditures by the First Arlington National Bank constitute a contribution or expenditure in connection with an election and is therefore in violation of the 2 U.S.C. §441b of the Act.

RECOMMENDATION

1. Find reason to believe that the First Arlington National Bank violated 2 U.S.C. §441b.
2. Send the appropriate letters.

Attachments

- Complaint
- Letter to Robert W. Mills
- Letter to Paul M. Homan

79040130519

GCC# 9274



Comptroller of the Currency
Administrator of National Banks

Washington, D. C. 20219

February 2, 1979

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

500513

Dear Mr. Oldaker:

The Comptroller's Regional Office in Chicago recently discovered information in the records of the State Board of Elections of Illinois indicating a possible violation of 2 U.S.C. 441b by the First Arlington National Bank, Arlington Heights, Illinois. The alleged facts are as follows:

Since January 1, 1979, the bank has made several contributions for the benefit of both the Wheeling Township Republican Organization and the Wheeling Township Democratic Organization. Specifically, nine such contributions have been made, in the total amount of \$749.50, consisting of items such as the purchase of tickets to political dinner/dances and similar politically sponsored activities or the purchase of advertisements in political ad books. The Comptroller's Chicago Office has noted that the Board of Directors is not planning to seek reimbursement for the bank of any of these expenses in light of their minor nature. Incidentally, it is the Board's opinion that they were really purchasing advertising or paying for a meal, and were not making political donations as interpreted. In any event, the First Arlington National Bank has agreed to refrain from further expenditures of this type for the benefit of political candidates.

In light of the Federal Election Commission's jurisdiction over potential violations of 2 U.S.C. 441b, we believe that this information should be referred to you for your independent investigation and review. If we can be of any further assistance or can provide any information, please contact Mr. Wayne C. Vennard, Jr., of our Enforcement and Compliance Division at 447-1987.

Sincerely,

Paul M. Homan
Deputy Comptroller for Bank Supervision

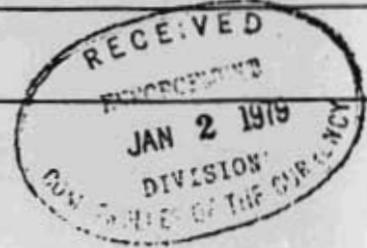
Attachments

79040130520



MORANDUM

Comptroller of the Currency
Administrator of National Banks



Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606

To: Robert B. Serino, Director
Enforcement & Compliance Division

From: John P. Sherry, Regional Counsel *J.P. Sherry*

Date: December 27, 1978

Subject: First Arlington National Bank
Arlington Heights, Illinois

I. Summary

Recently, we were informed that referenced bank had made several disbursements for the benefit of the Wheeling Township Republican Organization, in possible violation of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. §413, et seq.). Upon further inquiry, the bank has acknowledged making the following contributions:

	<u>Recipients</u>	<u>Date</u>	<u>Amount</u>
1.	Wheeling Twp. Regular Democratic Organization	2/13/76	\$ 25.00
2.	Wheeling Twp. Republican Organization	9/8/76	120.00
3.	Republican Committeemen Annual Director	9/9/76	50.00
4.	Wheeling Twp. Regular Democratic Organization	2/8/77	50.00
5.	Wheeling Twp. Republican Organization	3/30/77	200.00
6.	" " " " " " " "	8/12/77	160.00
7.	Wheeling Twp. Regular Democratic Organization	2/13/78	50.00
8.	Wheeling Twp. Republican Organization	10/14/78	35.00
9.	Wheeling Twp. Republican Club	10/16/78	59.50

79040130521

II. Evidence

For your reference, we are enclosing a copy of our letter dated December 6, 1978, advising the bank of the allegations we received. Further, we enclose the response from the bank, acknowledging a total of nine contributions since January 1, 1976, together with copies of the expense checks for each donation and a summarization of all of the expenditures. In reviewing the summarization sheet, we note that the funds were extended for the purchase of either tickets to politically sponsored events or advertisements in political ad books. We also note that the Board is not planning to reimburse the bank for these expenses.

III. Analysis

It appears these payments to the organizations listed above constitute "contributions" as defined in the Act. See 2 U.S.C. §431(e). Accordingly, the Bank has possibly violated the provisions of Section 441b(a), prohibiting contributions by national banks to political candidates and organizations.

We refer these matters to your attention for the action you deem appropriate.

Enclosures

79040130522

Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

December 6, 1978

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Dear Ms. Brehm and Gentlemen:

Recently, we became aware that the records of the State Board of Elections reportedly indicate that the First Arlington National Bank ("Bank") has made "type four" contributions to a political candidate or organization. These contributions generally consist of items such as the purchase of advertisements in political ad books or the purchase of tickets to political dinner/dances or similar activities. Specifically, we are advised the Bank contributed the following amounts for the benefit of the Wheeling Township Republican Organization:

August 25, 1977	\$160.00
April 4, 1977	\$200.00
September 10, 1976	\$120.00

We would like to take this opportunity to discuss such expense items in light of the Federal Election Campaign Act of 1971, as amended (hereinafter the "Act"), 2 U.S.C. §431, et seq.

79040130523

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

You should be aware that the Act, 2 U.S.C. §441b(a), prohibits national banks from making any "contribution or expenditure" to any political candidate or organization. As stated in Section 441b:

"... the term 'contribution or expenditure' shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services, or anything of value ... to any candidate, campaign committee, or political party or organization in connection with any election"

Accordingly, the issue raised by the above described action of the Bank is whether such an expense item constitutes a contribution or expenditure in connection with an election. It is our opinion, an opinion shared by the Federal Election Commission, that the purchase of dinner/dance tickets to a political event or the purchase of an advertisement in a political ad book constitutes an expenditure prohibited by the Act.

Under the Act and Regulations promulgated by the Federal Election Commission pursuant to its authority under the Act (11 C.F.R. §100.1, et seq.), advertisements purchased in publications sponsored by a candidate or political committee are not excepted from the definition of "expenditure." Similarly, the purchase of tickets to politically sponsored events enjoy no such exemption. Further, while one might question whether such expenditures are "in connection with the election to any political office", we point out that the prime purpose of a political committee is to influence the nomination or election of that party's candidates. All monies received by the committee, including those received from ad books and dinner/dances, either directly or indirectly further that purpose.

79040130524

11/10/78

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Three

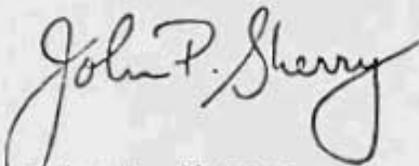
In view of the foregoing, we request that the Bank refrain from any future expenditures for the benefit of political committees or candidates. Further, we ask you to initiate a review of the Bank's expenses for the years 1976, 1977 and 1978, and to advise us of any expenditures made to any political candidates or committees. Your report on these expenditures should include the following:

1. the names of the recipients of the expenditures;
2. the dates on which the expenditures were made;
3. the amount of each expenditure, including a copy of the appropriate expense check;
4. the purpose of such expenditures, e.g., advertisements in political ad books, dinner/dance tickets, etc.

Finally, we request advice as to whether the Bank has or will be reimbursed for these expenditures.

We await your report on this matter. Should you have any questions, please do not hesitate to contact this Office.

Very truly yours,



John P. Sherry
Regional Counsel

79010130525

ROBERT W. MILLS
PRESIDENT

312-870-3500
December 14, 1978

Mr. John P. Sherry, Regional Counsel
Comptroller of the Currency
Seventh National Bank Region
233 South Wacker Drive, Suite 5750
Chicago, Illinois 60606

Re: Your letter of December 6, 1978
"type four" contributions

The Board of Directors has reviewed the referenced letter and Article 2 U.S.C. 441b(a). We regret our misinterpretation of the intent of this paragraph as evidenced by our actions for the years 1976, 1977 and 1978 which you have brought to our attention. Obviously, these expenses were as a result of solicitations from the various organizations who were also unaware that this type of expense might be construed to be in violation of regulations.

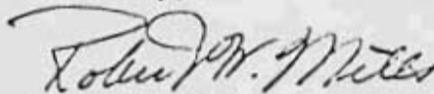
It is, of course, our opinion that we were purchasing advertising or in reality paying for a meal which was served and not making political donations as interpreted.

Accordingly, First Arlington National Bank will refrain from further expenditures for the benefit of political candidates of this nature. We have reviewed the Bank expense for the years 1976, 1977 and 1978 and enclose a list of expenditures of this nature. The report attached includes the name of recipient, dates, amounts where indicated, and the purpose.

Due to the long standing misinterpretation of this regulation and the fact that the expenditures are of a rather minor nature and the fact that some of the people responsible for authorizing these expenditures are no longer employed by this Bank, we will not seek reimbursement on any item.

If additional information is required please do not hesitate to contact me.

Sincerely,



Robert W. Mills
President

79040130526

7 9 0 4 0 1 3 0 5 2 7

d / Dinner	2/13/76 ¹	Ck# 10487	Wheeling Township Regular Democratic Organization	\$25.00
page ad	9/9/76 ³	Ck# 12188	Republic Committeemen Annual Directory	\$50.00
d Book	2/8/77 ⁴	Ck# 118762	Wheeling Township Regular Democratic Organization	\$50.00
page ad	2/13/78 ¹	Ck# 20027	Wheeling Township Regular Democratic Organization	\$50.00
inners	10/16/78 ¹	Am. Express Money Order	Wheeling Township Republican Club	\$59.50
page ad	10/14/78 ³	Ck# 21823	Wheeling Township Republican Organization	\$35.00
Full page ad	9/8/76 ²	Ck# 12187	Wheeling Township Republican Organization	\$120.00
Directors	3/30/77 ⁵	Ck# 13886	Wheeling Township Republican Organization	\$200.00
Full page ad	8/12/77 ⁶	Ck# 15045	Wheeling Township Republican Organization	\$160.00



FIRST ARLINGTON NATIONAL BANK

DOWNTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS

No. 10487

February 9, 1976

FANBE 25 AND 00 CTS

\$ 25.00

PAY TO THE ORDER OF

Wheeling Township Regular Democratic
Organization
1840 North Chestnut Avenue
Arlington Heights, Illinois

REFERENCE	
Donation - Annual Dinner	
Dance Ad Book	\$25.00

[Signature]
AUTHORIZED SIGNATURE

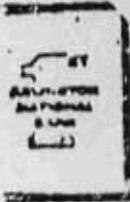
⑈010487⑈ ⑆0711-2148⑆

⑈777-27900⑈

⑈000000 2500⑈

79040130526

BACK OF CHECK



FIRST ARLINGTON NATIONAL BANK

DOWNTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS 60008

No. 12188

12188
110

September 8, 1976

1ST ARLINGTON NATIONAL BANK **500.00 CTS**

\$ 50.00

PAY TO THE ORDER OF

918

Re: Donation - 4 pg. ad in directory

\$50.00

Republican Committeeman's Annual Directory
105 South Main Street
Mt. Prospect, Illinois 60056

⑈012188⑈ ⑆0719⑈ 2248⑈ ⑆0777⑈ 779⑈ 01⑈

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79040130529

E X P E R I M E N T A L



FIRST ARLINGTON NATIONAL BANK

DOWNTOWN
ARLINGTON HEIGHTS, ILLINOIS 60006

No. 118762

20.2149
719

FEB 9 77

Pay to the order of Wheeling Township Regular Bus. Soc. Organization * * * * \$ 50.00

FIFTY DOLLARS

First Arlington National Bank

CASHIER'S CHECK

⑈118762⑈ ⑆0719⑈ 2148⑈ ⑆777⑈ 777⑈ 4⑈

AUTHORIZED SIGNATURE

⑈0000005000⑈

79040130530



First American
NATIONAL BANK

IN THE CITY OF CHICAGO, ILLINOIS

20027

70-2148
719

February 13 1978

E.A.N.B. CHICAGO ILLINOIS \$ 50.00

PAY TO THE ORDER OF

Wheeling Township Regular Democratic Org.
1840 N. Chestnut Ave.
Arlington Heights, Illinois 60004

ACCOUNT NO.	REFERENCE	AMOUNT
40600	Annual Dinner Dance March	50.00
028	2-7-78	

[Signature]
AUTHORIZED SIGNATURE

⑆020027⑆ ⑆0719⑆ 2148⑆

⑆0000005000⑆

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FIRST ARLINGTON

DOWNTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS 60008

No. 13886

70-2148
710

March 30 19 77

FANB000000 AND \$ 200.00

PAY TO THE ORDER OF

10/18/76	Dinner	\$200.00
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Wheeling Township Republican Organization
1314 West Northwest Highway
Arlington Heights, Illinois 60004

[Signature]
AUTHORIZED SIGNATURE

⑆013386⑆ ⑆0789-2148⑆ ⑆000020000⑆
040777

79040130534

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FIRST ARLINGTON NATIONAL BANK

WINTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS

No. 15045

EXPENSE CHECK

August 12, 1977

FANBNDZCGANDDCTS

\$ 160.00

PAY TO THE ORDER OF

Wheeling Township Republican Organization
311 North Patton Avenue
Arlington Heights, Ill. 60005

701001	RE: 1977 - 1978 Yearbook	160.00
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Robert M. Miller

⑈065045⑈ ⑆0789⑈ 2848⑈ ⑆779⑈ 0⑈ ⑆0000016000⑈

79040130535



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

RE: MUR 927

Dear Mr. Mills:

The Federal Election Commission has received a complaint which alleges your bank committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered the matter MUR 927. The Commission has reason to believe that the matters alleged state a violation of 2 U.S.C. §441b. Specifically, it appears that the First Arlington National Bank made several contributions/expenditures in favor of the Wheeling Township Regular Democratic Organization and the Wheeling Township Republican Organization.

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 submitted within ten days after your receipt of this notification.

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

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





FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

RE: MUR 927

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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 question, please contact Duane Brown, the attorney assigned to this matter, at (202) 523-4000.

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



99040130537

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
Complaint

79040130538



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank Supervision
Comptroller of the Currency
Washington, D.C. 20219

Dear Mr. Homan:

This is to acknowledge receipt of your letter of February 2, 1979, inquiring into the possibility of a violation of the Federal Election Campaign Act of 1971, as amended. We are currently reviewing this matter.

If you have any questions, please call Duane A. Brown, the attorney assigned to this matter, at (202) 523-4057.

Sincerely,

William C. Oldaker
General Counsel



7/9/80 10 130539



FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 927

Date Filmed 5/30/79 Camera No. --- 2

Cameraman JPC

79010130540



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20461

THIS IS THE END OF MUR # 927

Date Filmed 6/8/79 Camera No. --- 2

Cameraman J. A. Q.

79040130737

79040150753

79040150753

D. Brown MUR 92

PS Form 3811, Apr 1977

RETURN TO space on reverse

1. The following service is requested (check one). A2

Show to whom and date delivered _____ c

Show to whom, date, and address of delivery _____ c

RESTRICTED DELIVERY
Show to whom and date delivered _____ c

RESTRICTED DELIVERY
Show to whom, date, and address of delivery. \$ _____ c
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO
Robert W. Mills

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	94320	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

[Signature]

4. DATE OF DELIVERY

5. ADDRESS: (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE

CLERK'S INITIALS

U.S. MAIL
MAY 1979
U.S.C.

☆ GPO 1977-0-249-586

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL.



FEDERAL ELECTION COMMISSION

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

May 4, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank
Supervision
Comptroller of the Currency
Washington, D.C. 20219

RE: Comptroller Referral of
February 2, 1978

Dear Mr. Homan:

The Federal Election Commission has voted to terminate its inquiry into the First Arlington National Bank of Arlington Heights, Illinois. The Commission determined that substantial compliance has been achieved with respect to the allegations in your referral.

A copy of the Commission's determination is enclosed for your information. If you have any questions, please contact Duane A. Brown, the attorney assigned to this matter, at 523-4057.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission Certification



79040130759
0130482

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank
Supervision
Comptroller of the Currency
Washington, D.C. 20219

RE: Comptroller Referral of
February 2, 1978

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Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission Certification



79040130485
79040130486



FEDERAL ELECTION COMMISSION

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

May 4, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street-Box 247
Arlington Heights, Illinois 60006

RE: MUR 927

Dear Mr. Mills:

On April 26, 1979, the Commission voted to terminate its investigation in the above-referenced matter. A copy of the Commission's determination is enclosed for your information. Accordingly, the Commission intends to close its files in this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission Certification



719040130484
79040130751

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street-Box 247
Arlington, Heights, Illinois 60006

RE: MUR 927

Dear Mr. Mills:

79040130485
79040130762

On April 26, 1979, the Commission voted to terminate its investigation in the above-referenced matter. A copy of the Commission's determination is enclosed for your information. Accordingly, the Commission intends to close its files in this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission Certification

DKM

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
First Arlington National Bank)

MUR 927

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, certify that on April 26, 1979, the Commission, meeting in an executive session at which a quorum was present, determined by a vote of 6-0 to adopt the recommendation of the General Counsel to take the following actions in MUR 927:

1. Take no further action.
2. Close the file.
3. Send the appropriate letters.

Attest:

4/30/79
Date

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

79040130486
79040130763



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
DATE: APRIL 23, 1979
SUBJECT: OBJECTION - MUR 927 - General Counsel's
Report dated 4-13-79; Received in OCS
4-20-79, 3:32

The above-named document was circulated on a 48
hour vote basis at 11:00, April 23, 1979.

Commissioner Harris submitted an objection at 12:20
April 23, 1979 thereby placing MUR 927 on the Amended
Agenda for the Executive Session of April 25, 1979.

79040130487

79040130764

BEFORE THE FEDERAL ELECTION COMMISSION
April 13, 1979

79 APR 20 P 3: 32
MUR 927

In the Matter of the)
)
First Arlington National)
Bank)

GENERAL COUNSEL'S REPORT

On March 19, 1979, the Commission adopted the recommendation of the General Counsel and found reason to believe that the First Arlington National Bank violated 2 U.S.C. §441b by making several contributions/expenditures in favor of the Wheeling Township Regular Democratic Organization and the Wheeling Township Republican Organization.

LEGAL ANALYSIS

In response to the Commission's RTB finding (Attachment), the First Arlington National Bank, through its President Robert W. Mills, reported that the contributions/expenditures (approximately \$750.00 dating back to 1976) were expended as a direct result of solicitation and resulted in either dinner tickets or advertising. Moreover, Mr. Mills states that there was no intent on the part of the Bank or its Board of Directors to violate the Act by this practice. Finally, the bank was reimbursed for the contribution/expenditures on March 12, 1979, before it received the Commission's reason to believe notice, and Mr. Mills has assured the Commission that the practice of purchasing dinner tickets or ad space in connection with local political programs has been terminated.

79040130489

79040130755

CONCLUSION

Since the contributions/expenditures totalling approximately \$750.00 over a period of three years have been reimbursed to the bank and since the bank has agreed to terminate its practice of purchasing dinner tickets and ad space in connection with local political programs, the General Counsel recommends that no further action be taken at this time and to close the file.

RECOMMENDATION

1. Take no further action.
2. Close the file.
3. Send the appropriate letters.

79040130490
79040130767

4/20/79
Date

William C. Oldaker
William C. Oldaker
General Counsel

Attachments

- 7 Letter to Robert Mills
- Letter to Paul Homan
- Letter from Robert Mills

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
First Arlington National Bank) MUR 927

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 19, 1979, the Commission determined by a vote of 6-0 to adopt the following recommendations, as set forth in the First General Counsel's Report dated March 15, 1979, regarding the above-captioned matter:

1. Find reason to believe that the First Arlington National Bank violated 2 U.S.C. §441b.
2. Send the appropriate letters.

Attest:

3/19/79

Date

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

Received in Office of Commission Secretary: 3-15-79, 10:30
Circulated on 48 hour vote basis: 3-15-79, 1:00

79040130491
79040130763



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Re: MUR 927

Dear Mr. Mills:

On April , 1979, the Commission voted to terminate its investigation in the above-referenced matter. A copy of the Commission's determination and the General Counsel's Report is enclosed for your information. Accordingly, the Commission intends to close its files in this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosures:

1. Commission Certification

79040130769
79040130492



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank
Supervision
Comptroller of the Currency
Washington, D.C. 20219

Re: Comptroller Referral of
February 2, 1978

Dear Mr. Homan:

The Federal Election Commission has voted to terminate its inquiry into the First Arlington National Bank of Arlington Heights, Illinois. The Commission determined that substantial compliance has been achieved with respect to the allegations in your complaint.

A copy of the Commission's determination and the General Counsel's Report is enclosed for your information. If you have any questions, please contact Duane A. Brown, the attorney assigned this matter, at 523-4057.

Sincerely,

William C. Oldaker
General Counsel

Enclosures:

1. Commission Certification

79040130770
190130493

D. Brown / ACC # 9756

RECEIVED
FEDERAL ELECTION
COMMISSION

First Arlington NATIONAL BANK

ONE NORTH DUNTON, ARLINGTON HEIGHTS, ILLINOIS 60006. PHONE (312) 870-3500. MEMBER FDIC

MAR 29 AM 11:19

March 26, 1979

Mr. Duane Brown
Attorney at Law
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

901802

Re: MUR 927

On December 6, 1978, our Board of Directors was notified by the Regional Counsel of the Comptroller of Currency of a possible violation of 2 U.S.C. §441b dating back to 1976 and totalling \$480.00. Research of all bank records spanning 1976 to present indicated a total of \$749.50 could be considered in violation, as reported in my letter of December 14, 1978. These funds were expended as a direct result of solicitation and resulted in either dinner tickets or advertising. Three separate audits by outside CPA firms, including Price Waterhouse, three bank examinations by the Office of the Comptroller of the Currency and an audit by the Internal Revenue Service of our 1976 return failed to disclose any misinterpretation or intent to violate the Federal Election Campaign Act of 1971 concerning these expenditures.

The Regional Counsel of the Comptroller of the Currency responded to our report of December 14, 1978 by his letter of February 26, 1979, stating that the expenditures were in violation by his interpretation. He further referred to the expenditures as unsafe and unsound actions by the officers and directors. Because of the definitive position of this regulatory agency, the Board of Directors at its regular meeting on March 12, 1979 directed that the Bank be reimbursed for the entire amount without protest and this action was consummated.

Obviously, there was no intent on behalf of the Board of Directors, nor the Management, past or present, to violate

MAR 29 11:38

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

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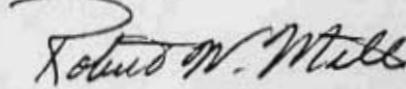
Mr. Duane Brown

-2-

March 26, 1979

any law or regulation. It is further clear that neither outside accountants nor Federal Agencies found practices in their examination of the Bank to indicate action should be initiated against, or by, the Bank. Accordingly, we request that the entire matter be dismissed as an honest error of minor concern to the safety of the Bank and the integrity of the political system.

Sincerely,



Robert W. Mills
President

~~79040130495~~

79040130772



Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

December 6, 1978

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Dear Ms. Brehm and Gentlemen:

Recently, we became aware that the records of the State Board of
Elections reportedly indicate that the First Arlington National
Bank ("Bank") has made "type four" contributions to a political
candidate or organization. These contributions generally consist
of items such as the purchase of advertisements in political ad
books or the purchase of tickets to political dinner/dances or
similar activities. Specifically, we are advised the Bank con-
tributed the following amounts for the benefit of the Wheeling
Township Republican Organization:

August 25, 1977	\$160.00
April 4, 1977	\$200.00
September 10, 1976	\$120.00

We would like to take this opportunity to discuss such expense
items in light of the Federal Election Campaign Act of 1971, as
amended (hereinafter the "Act"), 2 U.S.C. §431, et seq.

79040130496

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

You should be aware that the Act, 2 U.S.C. §441b(a), prohibits national banks from making any "contribution or expenditure" to any political candidate or organization. As stated in Section 441b:

"... the term 'contribution or expenditure' shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services, or anything of value ... to any candidate, campaign committee, or political party or organization in connection with any election"

Accordingly, the issue raised by the above described action of the Bank is whether such an expense item constitutes a contribution or expenditure in connection with an election. It is our opinion, an opinion shared by the Federal Election Commission, that the purchase of dinner/dance tickets to a political event or the purchase of an advertisement in a political ad book constitutes an expenditure prohibited by the Act.

Under the Act and Regulations promulgated by the Federal Election Commission pursuant to its authority under the Act (11 C.F.R. §100.1, et seq.), advertisements purchased in publications sponsored by a candidate or political committee are not excepted from the definition of "expenditure." Similarly, the purchase of tickets to politically sponsored events enjoy no such exemption. Further, while one might question whether such expenditures are "in connection with the election to any political office", we point out that the prime purpose of a political committee is to influence the nomination or election of that party's candidates. All monies received by the committee, including those received from ad books and dinner/dances, either directly or indirectly further that purpose.

79040130497

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December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Three

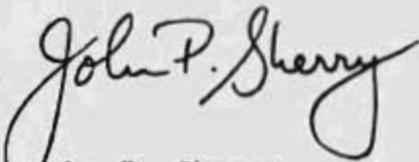
In view of the foregoing, we request that the Bank refrain from any future expenditures for the benefit of political committees or candidates. Further, we ask you to initiate a review of the Bank's expenses for the years 1976, 1977 and 1978, and to advise us of any expenditures made to any political candidates or committees. Your report on these expenditures should include the following:

1. the names of the recipients of the expenditures;
2. the dates on which the expenditures were made;
3. the amount of each expenditure, including a copy of the appropriate expense check;
4. the purpose of such expenditures, e.g., advertisements in political ad books, dinner/dance tickets, etc.

Finally, we request advice as to whether the Bank has or will be reimbursed for these expenditures.

We await your report on this matter. Should you have any questions, please do not hesitate to contact this Office.

Very truly yours,



John P. Sherry
Regional Counsel

79040130498

December 14, 1978

Mr. John P. Sherry, Regional Counsel
Comptroller of the Currency
Seventh National Bank Region
233 South Wacker Drive, Suite 5750
Chicago, Illinois 60606

Re: Your letter of December 6, 1978
"type four" contributions

The Board of Directors has reviewed the referenced letter and Article 2 U.S.C. 441b(a). We regret our misinterpretation of the intent of this paragraph as evidenced by our actions for the years 1976, 1977 and 1978 which you have brought to our attention. Obviously, these expenses were as a result of solicitations from the various organizations who were also unaware that this type of expense might be construed to be in violation of regulations.

It is, of course, our opinion that we were purchasing advertising or in reality paying for a meal which was served and not making political donations as interpreted.

Accordingly, First Arlington National Bank will refrain from further expenditures for the benefit of political candidates of this nature. We have reviewed the Bank expense for the years 1976, 1977 and 1978 and enclose a list of expenditures of this nature. The report attached includes the name of recipient, dates, amounts where indicated, and the purpose.

Due to the long standing misinterpretation of this regulation and the fact that the expenditures are of a rather minor nature and the fact that the people responsible for authorizing these expenditures are no longer employed by this Bank, we will not seek reimbursement on any item.

If additional information is required please do not hesitate to contact me.

Sincerely,

Robert W. Mills
President

79040130499
79040130776



Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

February 26, 1979

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

7 Ms. Brehm and Gentlemen:

77 We are in receipt of your letter of December 14, 1978, responding
7 to our inquiry concerning political contributions.

0 Based upon our review of your letter, we conclude that funds of
0 the First Arlington National Bank ("Bank") have been disbursed
0 for purposes prohibited by the Federal Election Campaign Act of
0 1971, as amended (the "Act"), 2 U.S.C. §431, et seq. Despite
0 the prohibited nature of these expenditures, you advise that
0 you have elected not to seek and/or to reimburse the Bank for
0 the amount of the disbursements. We can not accept this posi-
0 tion.

790 Our concern in this matter is quite simple. The Bank has wrong-
790 fully been deprived of its assets through violations of law and
790 unsafe and unsound actions of its officers and/or directors.
790 The resulting loss from these actions shall not fall upon the
790 Bank. Rather, owing to your fiduciary responsibility to the
790 Bank, as well as your obligation to manage the affairs of the
790 Bank in accordance with law, it is your responsibility to make
790 the Bank whole.

749.50

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February 26, 1979

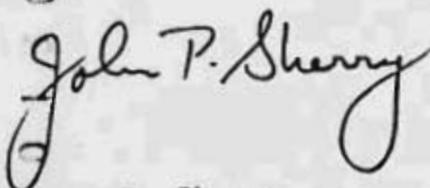
Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

We are not concerned about the source of reimbursement, whether it be from the recipients of the disbursements, the individuals at the Bank who authorized the payments, or from the individual members of the Board of Directors. This choice is within your discretion. However, consistent with your obligations as directors of a national bank, you must initiate the appropriate action to repair the damage to the Bank.

Please advise us of the action you will initiate.

Very truly yours,



John P. Sherry
Regional Counsel

79040130501

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BCC
9756

RECEIVED
FEDERAL ELECTION
COMMISSION

First Arlington NATIONAL BANK

ONE NORTH DUNTON, ARLINGTON HEIGHTS, ILLINOIS 60006. PHONE (312) 870-3500. MEMBER FDIC 179 MAR 29 AM 11:19

March 26, 1979

Mr. Duane Brown
Attorney at Law
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

901802

Re: MUR 927

On December 6, 1978, our Board of Directors was notified by the Regional Counsel of the Comptroller of Currency of a possible violation of 2 U.S.C. §441b dating back to 1976 and totalling \$480.00. Research of all bank records spanning 1976 to present indicated a total of \$749.50 could be considered in violation, as reported in my letter of December 14, 1978. These funds were expended as a direct result of solicitation and resulted in either dinner tickets or advertising. Three separate audits by outside CPA firms, including Price Waterhouse, three bank examinations by the Office of the Comptroller of the Currency and an audit by the Internal Revenue Service of our 1976 return failed to disclose any misinterpretation or intent to violate the Federal Election Campaign Act of 1971 concerning these expenditures.

The Regional Counsel of the Comptroller of the Currency responded to our report of December 14, 1978 by his letter of February 26, 1979, stating that the expenditures were in violation by his interpretation. He further referred to the expenditures as unsafe and unsound actions by the officers and directors. Because of the definitive position of this regulatory agency, the Board of Directors at its regular meeting on March 12, 1979 directed that the Bank be reimbursed for the entire amount without protest and this action was consummated.

Obviously, there was no intent on behalf of the Board of Directors, nor the Management, past or present, to violate

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19 MAR 29 2:38

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

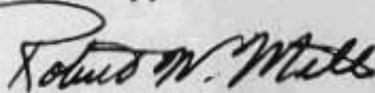
Mr. Duane Brown

-2-

March 26, 1979

any law or regulation. It is further clear that neither outside accountants nor Federal Agencies found practices in their examination of the Bank to indicate action should be initiated against, or by, the Bank. Accordingly, we request that the entire matter be dismissed as an honest error of minor concern to the safety of the Bank and the integrity of the political system.

Sincerely,



Robert W. Mills
President

79040130503

79040150780

Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

December 6, 1978

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Dear Ms. Brehm and Gentlemen:

Recently, we became aware that the records of the State Board of Elections reportedly indicate that the First Arlington National Bank ("Bank") has made "type four" contributions to a political candidate or organization. These contributions generally consist of items such as the purchase of advertisements in political ad books or the purchase of tickets to political dinner/dances or similar activities. Specifically, we are advised the Bank contributed the following amounts for the benefit of the Wheeling Township Republican Organization:

August 25, 1977	\$160.00
April 4, 1977	\$200.00
September 10, 1976	\$120.00

We would like to take this opportunity to discuss such expense items in light of the Federal Election Campaign Act of 1971, as amended (hereinafter the "Act"), 2 U.S.C. §431, et seq.

79040130504

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

You should be aware that the Act, 2 U.S.C. §441b(a), prohibits national banks from making any "contribution or expenditure" to any political candidate or organization. As stated in Section 441b:

"... the term 'contribution or expenditure' shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services, or anything of value ... to any candidate, campaign committee, or political party or organization in connection with any election"

Accordingly, the issue raised by the above described action of the Bank is whether such an expense item constitutes a contribution or expenditure in connection with an election. It is our opinion, an opinion shared by the Federal Election Commission, that the purchase of dinner/dance tickets to a political event or the purchase of an advertisement in a political ad book constitutes an expenditure prohibited by the Act.

Under the Act and Regulations promulgated by the Federal Election Commission pursuant to its authority under the Act (11 C.F.R. §100.1, et seq.), advertisements purchased in publications sponsored by a candidate or political committee are not excepted from the definition of "expenditure." Similarly, the purchase of tickets to politically sponsored events enjoy no such exemption. Further, while one might question whether such expenditures are "in connection with the election to any political office", we point out that the prime purpose of a political committee is to influence the nomination or election of that party's candidates. All monies received by the committee, including those received from ad books and dinner/dances, either directly or indirectly further that purpose.

79040130505

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Three

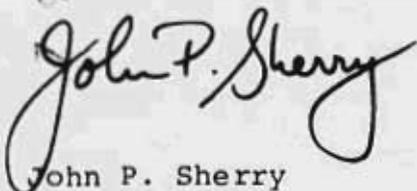
In view of the foregoing, we request that the Bank refrain from any future expenditures for the benefit of political committees or candidates. Further, we ask you to initiate a review of the Bank's expenses for the years 1976, 1977 and 1978, and to advise us of any expenditures made to any political candidates or committees. Your report on these expenditures should include the following:

1. the names of the recipients of the expenditures;
2. the dates on which the expenditures were made;
3. the amount of each expenditure, including a copy of the appropriate expense check;
4. the purpose of such expenditures, e.g., advertisements in political ad books, dinner/dance tickets, etc.

Finally, we request advice as to whether the Bank has or will be reimbursed for these expenditures.

We await your report on this matter. Should you have any questions, please do not hesitate to contact this Office.

Very truly yours,



John P. Sherry
Regional Counsel

79040130506

073

December 14, 1978

Mr. John P. Sherry, Regional Counsel
Comptroller of the Currency
Seventh National Bank Region
233 South Wacker Drive, Suite 5750
Chicago, Illinois 60606

Re: Your letter of December 6, 1978
"type four" contributions

The Board of Directors has reviewed the referenced letter and Article 2 U.S.C. 441b(a). We regret our misinterpretation of the intent of this paragraph as evidenced by our actions for the years 1976, 1977 and 1978 which you have brought to our attention. Obviously, these expenses were as a result of solicitations from the various organizations who were also unaware that this type of expense might be construed to be in violation of regulations.

It is, of course, our opinion that we were purchasing advertising or in reality paying for a meal which was served and not making political donations as interpreted.

Accordingly, First Arlington National Bank will refrain from further expenditures for the benefit of political candidates of this nature. We have reviewed the Bank expense for the years 1976, 1977 and 1978 and enclose a list of expenditures of this nature. The report attached includes the name of recipient, dates, amounts where indicated, and the purpose.

Due to the long standing misinterpretation of this regulation and the fact that the expenditures are of a rather minor nature and the fact that the people responsible for authorizing these expenditures are no longer employed by this Bank, we will not seek reimbursement on any item.

If additional information is required please do not hesitate to contact me.

Sincerely,

Robert W. Mills
President

79040130507

77040110731

Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

February 26, 1979

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Ms. Brehm and Gentlemen:

We are in receipt of your letter of December 14, 1978, responding to our inquiry concerning political contributions.

Based upon our review of your letter, we conclude that funds of the First Arlington National Bank ("Bank") have been disbursed for purposes prohibited by the Federal Election Campaign Act of 1971, as amended (the "Act"), 2 U.S.C. §431, et seq. Despite the prohibited nature of these expenditures, you advise that you have elected not to seek and/or to reimburse the Bank for the amount of the disbursements. We can not accept this position.

Our concern in this matter is quite simple. The Bank has wrongfully been deprived of its assets through violations of law and unsafe and unsound actions of its officers and/or directors. The resulting loss from these actions shall not fall upon the Bank. Rather, owing to your fiduciary responsibility to the Bank, as well as your obligation to manage the affairs of the Bank in accordance with law, it is your responsibility to make the Bank whole.

749.50

79040130508

770401073

February 26, 1979

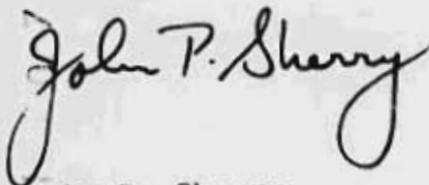
Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

We are not concerned about the source of reimbursement, whether it be from the recipients of the disbursements, the individuals at the Bank who authorized the payments, or from the individual members of the Board of Directors. This choice is within your discretion. However, consistent with your obligations as directors of a national bank, you must initiate the appropriate action to repair the damage to the Bank.

Please advise us of the action you will initiate.

Very truly yours,



John P. Sherry
Regional Counsel

79040130509

7000



First Arlington
NATIONAL BANK

DEPARTMENT OF THE TREASURY
UNITED STATES GOVERNMENT

79040130510
040130787

79 MAR 29 AM 11:19

Mr. Duane Brown
Attorney at Law
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463



FEDERAL ELECTION COMMISSION

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

March 22, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank Supervision
Comptroller of the Currency
Washington, D.C. 20219

Dear Mr. Homan:

This is to acknowledge receipt of your letter of February 2, 1979, inquiring into the possibility of a violation of the Federal Election Campaign Act of 1971, as amended. We are currently reviewing this matter.

If you have any questions, please call Duane A. Brown, the attorney assigned to this matter, at (202) 523-4057.

Sincerely,

William C. Oldaker
General Counsel

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse. 1. The following service is requested (check one). <input type="checkbox"/> Show to whom and date delivered <input checked="" type="checkbox"/> Show to whom, date, and address of delivery <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery (CONSULT POSTMASTER FOR FEES)		2. ARTICLE ADDRESSED TO: <i>Paul M. Homan</i>		3. ARTICLE DESCRIPTION: REGISTERED NO. <i>9882</i> INSURED NO. _____ (Always obtain signature of addressee or agent)		I have received the article, described above. SIGNATURE: <i>C. E. K. [illegible]</i> AUTHORIZED AGENT POSTMARK: _____ DATE OF DELIVERY 1979 _____ DIVISION _____ ADDRESS OF SENDER (OPTIONAL) _____		6. UNABLE TO DELIVER BECAUSE: _____ CLERK'S INITIALS _____	
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79040130511
79040130738

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank Supervision
Comptroller of the Currency
Washington, D.C. 20219

Dear Mr. Homan:

This is to acknowledge receipt of your letter of February 2, 1979, inquiring into the possibility of a violation of the Federal Election Campaign Act of 1971, as amended. We are currently reviewing this matter.

☉ If you have any questions, please call Duane A. Brown, the attorney assigned to this matter, at (202) 523-4057.

Sincerely,

William C. Oldaker
General Counsel



79040130512
790401307



FEDERAL ELECTION COMMISSION

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

March 22, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

RE: MUR 927

Dear Mr. Mills:

The Federal Election Commission has received a complaint which alleges your bank committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered the matter MUR 927. The Commission has reason to believe that the matters alleged state a violation of 2 U.S.C. §441b. Specifically, it appears that the First Arlington National Bank made several contributions/expenditures in favor of the Wheeling Township Regular Democratic Organization and the Wheeling Township Republican Organization.

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 submitted within ten days after your receipt of this notification.

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

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



79040130513
79040130790

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

Complaint

79040130514
79040130791

MURK 27 D. Brown

PS Form 3811, Apr 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

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

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

2. ARTICLE ADDRESSED TO:
*ROBERT FALLS
 104 BELMONT NAT'L.
 I. N. DUPONT CIRCLE
 BELMONT HEIGHTS, N.J.*

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
98003

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY *3/1* POSTMARK *APR 11 1977*

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆GPO 1977-0-249-595

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

RE: Pre-MUR 927

Dear Mr. Mills:

79040130515
The Federal Election Commission has received a complaint which alleges your bank committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered the matter PMUR 92710. The Commission has reason to believe that the matters alleged state a violation of 2 U.S.C. §441b. Specifically, it appears that the First Arlington National Bank made several contributions/expenditures in favor of the Wheeling Township Regular Democratic Organization and the Wheeling Township Republican Organization.

○ 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 submitted within ten days after your receipt of this notification.

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

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

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

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Complaint



~~77040130516~~

79040130793

March 15, 1979

MEMORANDUM TO: Marge Emmons
FROM: Jane Colgrove
SUBJECT: NUR 927

Please have the attached First General Counsel's Report on NUR 927 distributed at the Commission on a 48 hour tally basis.

Thank you.

79040130517
79040130794

FEDERAL ELECTION COMMISSION RECEIVED
1325 K Street, N.W. OFFICE OF THE
Washington, D.C. 20463 COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT A10: 30

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION MAR 15 1979

MUR NO. MUR 927
DATE COMPLAINT RECEIVED
BY OGC _____
STAFF _____
MEMBER Duane Brown

SOURCE: Comptroller of the Currency
Administrator of National Banks

RESPONDENT'S NAME: First Arlington National Bank

RELEVANT STATUTE: 2 U.S.C. §441b

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

This matter was referred to the Commission by the Comptroller of the Currency as a result of information discovered in the records of the State Board of Elections of Illinois. The Comptroller alleges that the Respondent, First Arlington National Bank, committed a possible violation of the Act when the latter made several contributions for the benefit of both the Wheeling Township Republican Organization and the Wheeling Township Democratic Organization. Specifically, contributions for political dinner/dances and similar politically sponsored activities were made.

LEGAL ANALYSIS

Under 2 U.S.C. §441b of our Act, national banks are prohibited from making any "contribution or expenditure" in connection with any election to a political office. 2 U.S.C. §441b(b) (2) states that:

"... [T]he term 'contribution or expenditure' shall include any direct or indirect payment, distribution loan, advance, deposit, or gift of money... or anything of value... to any candidate, campaign committee, or political committee or organization in connection with any election... ."

79040130518

990101079

It appears that the expenditures by the First Arlington National Bank constitute a contribution or expenditure in connection with an election and is therefore in violation of the 2 U.S.C. §441b of the Act.

RECOMMENDATION

1. Find reason to believe that the First Arlington National Bank violated 2 U.S.C. §441b.
2. Send the appropriate letters.

79040130519

- 6
- Attachments
- 7 Complaint
- Letter to Robert W. Mills
- 9 Letter to Paul M. Homan

790401

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Comptroller of the Currency
Administrator of National Banks

Washington, D. C. 20219

February 2, 1979

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

500013

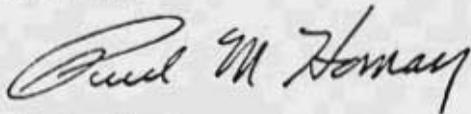
Dear Mr. Oldaker:

The Comptroller's Regional Office in Chicago recently discovered information in the records of the State Board of Elections of Illinois indicating a possible violation of 2 U.S.C. 441b by the First Arlington National Bank, Arlington Heights, Illinois. The alleged facts are as follows:

Since January 1, 1979, the bank has made several contributions for the benefit of both the Wheeling Township Republican Organization and the Wheeling Township Democratic Organization. Specifically, nine such contributions have been made, in the total amount of \$749.50, consisting of items such as the purchase of tickets to political dinner/dances and similar politically sponsored activities or the purchase of advertisements in political ad books. The Comptroller's Chicago Office has noted that the Board of Directors is not planning to seek reimbursement for the bank of any of these expenses in light of their minor nature. Incidentally, it is the Board's opinion that they were really purchasing advertising or paying for a meal, and were not making political donations as interpreted. In any event, the First Arlington National Bank has agreed to refrain from further expenditures of this type for the benefit of political candidates.

In light of the Federal Election Commission's jurisdiction over potential violations of 2 U.S.C. 441b, we believe that this information should be referred to you for your independent investigation and review. If we can be of any further assistance or can provide any information, please contact Mr. Wayne C. Vennard, Jr., of our Enforcement and Compliance Division at 447-1987.

Sincerely,



Paul M. Homan
Deputy Comptroller for Bank Supervision

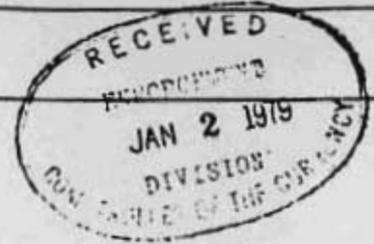
Attachments

79040130520



MORANDUM

Comptroller of the Currency
Administrator of National Banks



Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606

To: Robert B. Serino, Director
Enforcement & Compliance Division

From: John P. Sherry, Regional Counsel *J.P. Sherry*

Date: December 27, 1978

Subject: First Arlington National Bank
Arlington Heights, Illinois

I. Summary

Recently, we were informed that referenced bank had made several disbursements for the benefit of the Wheeling Township Republican Organization, in possible violation of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. §413, et seq.). Upon further inquiry, the bank has acknowledged making the following contributions:

	<u>Recipients</u>	<u>Date</u>	<u>Amount</u>
1.	Wheeling Twp. Regular Democratic Organization	2/13/76	\$ 25.00
2.	Wheeling Twp. Republican Organization	9/8/76	120.00
3.	Republican Committeemen Annual Director	9/9/76	50.00
4.	Wheeling Twp. Regular Democratic Organization	2/8/77	50.00
5.	Wheeling Twp. Republican Organization	3/30/77	200.00
6.	" " " " " "	8/12/77	160.00
7.	Wheeling Twp. Regular Democratic Organization	2/13/78	50.00
8.	Wheeling Twp. Republican Organization	10/14/78	35.00
9.	Wheeling Twp. Republican Club	10/16/78	59.50

79040130521
79040130793

II. Evidence

For your reference, we are enclosing a copy of our letter dated December 6, 1978, advising the bank of the allegations we received. Further, we enclose the response from the bank, acknowledging a total of nine contributions since January 1, 1976, together with copies of the expense checks for each donation and a summarization of all of the expenditures. In reviewing the summarization sheet, we note that the funds were extended for the purchase of either tickets to politically sponsored events or advertisements in political ad books. We also note that the Board is not planning to reimburse the bank for these expenses.

III. Analysis

It appears these payments to the organizations listed above constitute "contributions" as defined in the Act. See 2 U.S.C. §431(e). Accordingly, the Bank has possibly violated the provisions of Section 441b(a), prohibiting contributions by national banks to political candidates and organizations.

We refer these matters to your attention for the action you deem appropriate.

Enclosures

79040130522

79040130799



Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

December 6, 1978

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Dear Ms. Brehm and Gentlemen:

Recently, we became aware that the records of the State Board of Elections reportedly indicate that the First Arlington National Bank ("Bank") has made "type four" contributions to a political candidate or organization. These contributions generally consist of items such as the purchase of advertisements in political ad books or the purchase of tickets to political dinner/dances or similar activities. Specifically, we are advised the Bank contributed the following amounts for the benefit of the Wheeling Township Republican Organization:

August 25, 1977	\$160.00
April 4, 1977	\$200.00
September 10, 1976	\$120.00

We would like to take this opportunity to discuss such expense items in light of the Federal Election Campaign Act of 1971, as amended (hereinafter the "Act"), 2 U.S.C. §431, et seq.

79040130523
7904010800

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

You should be aware that the Act, 2 U.S.C. §441b(a), prohibits national banks from making any "contribution or expenditure" to any political candidate or organization. As stated in Section 441b:

"... the term 'contribution or expenditure' shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services, or anything of value ... to any candidate, campaign committee, or political party or organization in connection with any election"

79040130524
79040130801
Accordingly, the issue raised by the above described action of the Bank is whether such an expense item constitutes a contribution or expenditure in connection with an election. It is our opinion, an opinion shared by the Federal Election Commission, that the purchase of dinner/dance tickets to a political event or the purchase of an advertisement in a political ad book constitutes an expenditure prohibited by the Act.

Under the Act and Regulations promulgated by the Federal Election Commission pursuant to its authority under the Act (11 C.F.R. §100.1, et seq.), advertisements purchased in publications sponsored by a candidate or political committee are not excepted from the definition of "expenditure." Similarly, the purchase of tickets to politically sponsored events enjoy no such exemption. Further, while one might question whether such expenditures are "in connection with the election to any political office", we point out that the prime purpose of a political committee is to influence the nomination or election of that party's candidates. All monies received by the committee, including those received from ad books and dinner/dances, either directly or indirectly further that purpose.

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Three

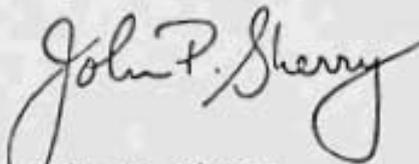
In view of the foregoing, we request that the Bank refrain from any future expenditures for the benefit of political committees or candidates. Further, we ask you to initiate a review of the Bank's expenses for the years 1976, 1977 and 1978, and to advise us of any expenditures made to any political candidates or committees. Your report on these expenditures should include the following:

1. the names of the recipients of the expenditures;
2. the dates on which the expenditures were made;
3. the amount of each expenditure, including a copy of the appropriate expense check;
4. the purpose of such expenditures, e.g., advertisements in political ad books, dinner/dance tickets, etc.

Finally, we request advice as to whether the Bank has or will be reimbursed for these expenditures.

We await your report on this matter. Should you have any questions, please do not hesitate to contact this Office.

Very truly yours,



John P. Sherry
Regional Counsel

79040130525
7904010800

ROBERT W. MILLS
PRESIDENT

312 870-3500

December 14, 1978

Mr. John P. Sherry, Regional Counsel
Comptroller of the Currency
Seventh National Bank Region
233 South Wacker Drive, Suite 5750
Chicago, Illinois 60606

Re: Your letter of December 6, 1978
"type four" contributions

The Board of Directors has reviewed the referenced letter and Article 2 U.S.C. 441b(a). We regret our misinterpretation of the intent of this paragraph as evidenced by our actions for the years 1976, 1977 and 1978 which you have brought to our attention. Obviously, these expenses were as a result of solicitations from the various organizations who were also unaware that this type of expense might be construed to be in violation of regulations.

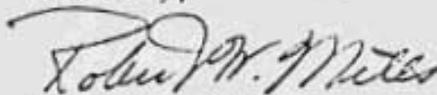
It is, of course, our opinion that we were purchasing advertising or in reality paying for a meal which was served and not making political donations as interpreted.

Accordingly, First Arlington National Bank will refrain from further expenditures for the benefit of political candidates of this nature. We have reviewed the Bank expense for the years 1976, 1977 and 1978 and enclose a list of expenditures of this nature. The report attached includes the name of recipient, dates, amounts where indicated, and the purpose.

Due to the long standing misinterpretation of this regulation and the fact that the expenditures are of a rather minor nature and the fact that some of the people responsible for authorizing these expenditures are no longer employed by this Bank, we will not seek reimbursement on any item.

If additional information is required please do not hesitate to contact me.

Sincerely,



Robert W. Mills
President

79040130526
7904010803

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d / Dinner	2/13/76 ¹	Ck# 10487	Wheeling Township Regular Democratic Organization	\$25.00
page ad	9/9/76 ³	Ck# 12188	Republic Committeemen Annual Directory	\$50.00
d Book	2/8/77 ⁴	Ck# 118762	Wheeling Township Regular Democratic Organization	\$50.00
pa ad	2/13/78 ¹	Ck# 20027	Wheeling Township Regular Democratic Organization	\$50.00
inners	10/16/78 ¹	Am. Express Money Order	Wheeling Township Republican Club	\$59.50
page ad	10/14/78 ⁵	Ck# 21823	Wheeling Township Republican Organization	\$35.00
Full page ad	9/8/76 ²	Ck# 12187	Wheeling Township Republican Organization	\$120.00
Directors	3/30/77 ⁵	Ck# 13886	Wheeling Township Republican Organization	\$200.00
Full page ad	8/12/77 ⁶	Ck# 15045	Wheeling Township Republican Organization	\$160.00

FIRST ARLINGTON NATIONAL BANK

DOWNTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS

No. 10487

February 9, 1976

FAN BE: 25 AND 00 CTS

\$ 25.00

PAY TO THE ORDER OF

Wheeling Township Regular Democratic
Organization
1840 North Chestnut Avenue
Arlington Heights, Illinois

MEMORANDUM	REFERENCE
1. 25.00	Donation - Annual Dinner
2. 00.00	Dance Ad Book
	\$25.00

[Handwritten Signature]

⑈010487⑈ ⑈0711⑈ 2148⑈ ⑈0000002500⑈

79040130528
79040130805

EXPENSE CHECK



FIRST ARLINGTON NATIONAL BANK

DOWNTOWN ARLINGTON HEIGHTS, ILLINOIS 60006

No. 118762

70-2148
719

FEB 8 77

PAY TO THE ORDER OF Wheeling Township Regular Democratic Organization * * * \$ 50.00

FIFTY DOLLARS

First Arlington National Bank

CASHIER'S CHECK

⑈ 118762 ⑈ ⑆ 0719 ⑈ 2148 ⑈ ⑆ 77 ⑈ 77 ⑈ 4 ⑈

⑈ 0000005000 ⑈

79040130530

79040110807



First American National Bank
IN CHICAGO AND THROUGHOUT THE MIDDLE WEST

20027

70-2148
719

February 13 1978

E.A.N.B. CHICAGO ILLINOIS \$ 50.00

PAY TO THE ORDER OF

Wheeling Township Regular Democratic Org.
1840 N. Chestnut Ave.
Arlington Heights, Illinois 60004

ACCOUNT NO.	REFERENCE	AMOUNT
40600	Annual Dinner Dance March	50.00
020	2-7-78	

[Signature]

AUTHORIZED SIGNATURE
⑈0000005000⑈

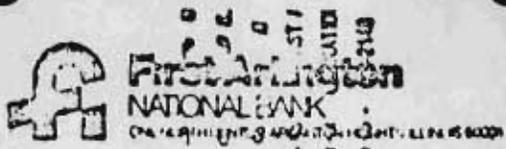
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21823

70-2148
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October 2, 19 78

PAY TO THE ORDER OF
1ST ARLINGTON NATIONAL BANK

100
FIRST ARLINGTON NATIONAL BANK
ARLINGTON HEIGHTS, ILL. 60004

\$ 35.00

Statement of 9/19/78

35.00

Wheeling Township Republican Organization
7 1/2 East Miner Street
Arlington Heights, Il. 60004

Jerry L. Frump
AUTHORIZED SIGNATURE

⑈021823⑈ ⑆0719⑈ 21823⑈ 0000003500⑈

EXPENSE CHECK

79040130532

79040130807



COUNTY OF ARLINGTON
ARLINGTON HEIGHTS, ILLINOIS 60004

No. 12187

10-7148
710

September 8, 19 76

1ST ARLINGTON NATIONAL BANK
NATIONAL BANK

\$ 120.00

PAY TO THE ORDER OF

Wheeling Township Republican Organization
1314 West Northwest Highway
Arlington Heights, Illinois 60004

REFERENCE	
Ret. Donation to organization	
Full pg. ad	\$120.00

[Handwritten Signature]

AUTHORIZED SIGNATURE

⑆012187⑆ ⑆0719⑆ 214000012000⑆

79040130533

79040150810

FIRST ARLINGTON 14211471

DOWNTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS 60004

No. 13886

70 2148
710

0 4 0 7 7 1

March 20 19 77

FANDBE9200 AND 200.00

PAY TO THE ORDER OF

10/19/76	Dinner	\$200.00
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Wheeling Township Republican Organization
1314 West Northwest Highway
Arlington Heights, Illinois 60004

[Signature]
AUTHORIZED SIGNATURE

013386 :0719-2148: 777-749-01* 0000020000*

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FIRST ARLINGTON NATIONAL BANK

WINTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS

No. 15045

August 12 19 77

FANBETIOGANDDCTS

\$ 160.00

PAY
TO THE ORDER OF

Wheeling Township Republican Organization
311 North Patton Avenue
Arlington Heights, Ill. 60005

1010011	RE: 1977 - 1978 Yearbook	160.00
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Robert M. Miller
AUTHORIZED SIGNATURE

⑈085045⑈ ⑆0789⑈ 2848⑈ 779=0⑈ ⑈000910000⑈

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7904010812



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

RE: MUR 927

Dear Mr. Mills:

The Federal Election Commission has received a complaint which alleges your bank committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered the matter MUR 927. The Commission has reason to believe that the matters alleged state a violation of 2 U.S.C. §441b. Specifically, it appears that the First Arlington National Bank made several contributions/expenditures in favor of the Wheeling Township Regular Democratic Organization and the Wheeling Township Republican Organization.

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 submitted within ten days after your receipt of this notification.

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

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



79040130813

1996A80130537

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

Complaint

79040130538

79040130814



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank Supervision
Comptroller of the Currency
Washington, D.C. 20219

Dear Mr. Homan:

This is to acknowledge receipt of your letter of February 2, 1979, inquiring into the possibility of a violation of the Federal Election Campaign Act of 1971, as amended. We are currently reviewing this matter.

If you have any questions, please call Duane A. Brown, the attorney assigned to this matter, at (202) 523-4057.

Sincerely,

William C. Oldaker
General Counsel



7 9 0 4 0 1 3 0 8 1 5
4 0 1 3 0 5 3 9



FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR #

927

Date Filmed 6/8/79 Camera No. --- 2

Cameraman J.A.D.

7904010815



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20463

79040134359

THIS IS THE END OF TÜR # 927

Date Filmed 6/18/79 Camera No. --- 2

Cameraman SPC

79040130401
79040134360

D. Brown MUR 92

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

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

1 The following service is requested (check one) ¹²

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
Robert W. Mills

3 ARTICLE DESCRIPTION

REGISTERED NO	CERTIFIED NO	INSURED NO
	94320	

(Always obtain signature of addressee or agent)

I have received the article described above

SIGNATURE Addressee Authorized agent

4 DATE OF DELIVERY

5 ADDRESS (Complete only if required)

6 UNABLE TO DELIVER BECAUSE

CLERK'S INITIALS

79040130401
79040134360





FEDERAL ELECTION COMMISSION

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

May 4, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank
Supervision
Comptroller of the Currency
Washington, D.C. 20219

RE: Comptroller Referral of
February 2, 1978

Dear Mr. Homan:

The Federal Election Commission has voted to terminate its inquiry into the First Arlington National Bank of Arlington Heights, Illinois. The Commission determined that substantial compliance has been achieved with respect to the allegations in your referral.

A copy of the Commission's determination is enclosed for your information. If you have any questions, please contact Duane A. Brown, the attorney assigned to this matter, at 523-4057.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission Certification

79040134361
79040130759



CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank
Supervision
Comptroller of the Currency
Washington, D.C. 20219

RE: Comptroller Referral of
February 2, 1978

Dear Mr. Homan:

The Federal Election Commission has voted to terminate its inquiry into the First Arlington National Bank of Arlington Heights, Illinois. The Commission determined that substantial compliance has been achieved with respect to these allegations in your referral.

A copy of the Commission's determination is enclosed for your information. If you have any questions, please contact Duane A. Brown, the attorney assigned to this matter, at 523-4057.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission Certification

79040134362

79040130760



FEDERAL ELECTION COMMISSION

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

May 4, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street-Box 247
Arlington Heights, Illinois 60006

RE: MUR 927

Dear Mr. Mills:

On April 26, 1979, the Commission voted to terminate its investigation in the above-referenced matter. A copy of the Commission's determination is enclosed for your information. Accordingly, the Commission intends to close its files in this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission Certification



79040134363
7904010761

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street-Box 247
Arlington, Heights, Illinois 60006

RE: MUR 927

Dear Mr. Mills:

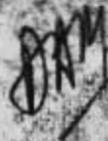
On April 26, 1979, the Commission voted to terminate its investigation in the above-referenced matter. A copy of the Commission's determination is enclosed for your information. Accordingly, the Commission intends to close its files in this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Commission Certification



79040134364

79040134364

ACC#
10028

Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

April 27, 1979

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

902226

Dear Mr. Oldaker:

Re: First National Bank of Schiller Park ("Bank")
Schiller Park, Illinois

As a follow-up to a letter addressed to you from our Washington Office, dated February 26, 1979, we are enclosing a copy of a letter dated April 2, 1979, from Robert O. Walcott, Chairman of the Board and President. He advises he will personally reimburse the Bank for expenditures made in apparent violation of 2 U.S.C. §441b.

Additionally, Mr. Walcott submitted with his letter a copy of a publication entitled "Rosemont Voters League, Dinner Dance, Saturday, March 17, 1979." Mr. Walcott's point with this enclosure was to note that other banking institutions have, similar to his Bank, purchased advertisements in political ad books (copies of ad pages attached hereto). Banks appearing in referenced ad book are:

1. Northwest Commerce Bank, Rosemont, Illinois
2. Parkway Bank & Trust Company, Harwood Heights, Illinois
3. First State Bank of Chicago

The three banks listed above are Federally insured non-member banks, chartered by the State of Illinois. We are not certain whether the Rosemont Voters League participates in any manner in Federal elections or primaries.

79040134365

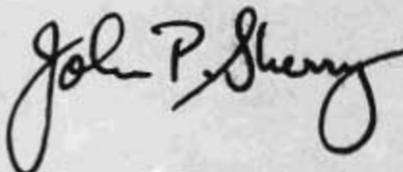
April 27, 1979

Mr. William C. Oldaker
Federal Election Commission

Page Two

We refer this matter to your attention for the action you deem appropriate.

Very truly yours,



John P. Sherry
Regional Counsel

Attachments

79040134366



Rosemont

VOTERS
LEAGUE

DINNER - DANCE

SATURDAY, MARCH 17, 1979

They,
make
happen

”

6
3
4
3
4
1
0
4

WELLS CO

CHICAGO, ILL. 60655
MEMBER FDIC

TATE
F CHICAGO

CHICAGO, ILL. 60655
MEMBER FDIC

COMPLIMENTS

OF



**NORTHWEST
COMMERCE BANK**

9797 West Higgins Road
Rosemont, Illinois 60018
312/696-1050

Member F.D.I.C.

7 9 0 4 0 1 3 4 3 6 8

29040134369

"Together,
we make
it happen"

P PARKWAY
BANK & TRUST CO

4777 N. Harlem Ave., Harwood Heights, IL 60656
PHONE: 567-6600 MEMBER FDIC

FS FIRST STATE
BANK OF CHICAGO

4646 North Cumberland Ave., Chicago, IL 60656
PHONE: 625-5600 MEMBER FDIC



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Building
Seal Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606

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



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
DATE: APRIL 23, 1979
SUBJECT: OBJECTION - MUR 927 - General Counsel's
Report dated 4-13-79; Received in OCS
4-20-79, 3:32

The above-named document was circulated on a 48
hour vote basis at 11:00, April 23, 1979.

Commissioner Harris submitted an objection at 12:20
April 23, 1979 thereby placing MUR 927 on the Amended
Agenda for the Executive Session of April 25, 1979.

204013437
79040110764

April 26, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 927

79041134373
790401;0765
Please have the attached General Counsel's Report on MUR 927 distributed to the Commission on a 48 hour tally basis.

Thank you.

BEFORE THE FEDERAL ELECTION COMMISSION
April 13, 1979

79 APR 20 P 3: 32
MUR 927

In the Matter of the)
)
First Arlington National)
Bank)

GENERAL COUNSEL'S REPORT

On March 19, 1979, the Commission adopted the recommendation of the General Counsel and found reason to believe that the First Arlington National Bank violated 2 U.S.C. §441b by making several contributions/expenditures in favor of the Wheeling Township Regular Democratic Organization and the Wheeling Township Republican Organization.

LEGAL ANALYSIS

In response to the Commission's RTB finding (Attachment), the First Arlington National Bank, through its President Robert W. Mills, reported that the contributions/expenditures (approximately \$750.00 dating back to 1976) were expended as a direct result of solicitation and resulted in either dinner tickets or advertising. Moreover, Mr. Mills states that there was no intent on the part of the Bank or its Board of Directors to violate the Act by this practice. Finally, the bank was reimbursed for the contribution/expenditures on March 12, 1979, before it received the Commission's reason to believe notice, and Mr. Mills has assured the Commission that the practice of purchasing dinner tickets or ad space in connection with local political programs has been terminated.

79040134374
7904010766

CONCLUSION

Since the contributions/expenditures totalling approximately \$750.00 over a period of three years have been reimbursed to the bank and since the bank has agreed to terminate its practice of purchasing dinner tickets and ad space in connection with local political programs, the General Counsel recommends that no further action be taken at this time and to close the file.

RECOMMENDATION

1. Take no further action.
2. Close the file.
3. Send the appropriate letters.

4/20/79

 Date

William C. Oldaker

 William C. Oldaker
 General Counsel

Attachments

- Letter to Robert Mills
- Letter to Paul Homan
- Letter from Robert Mills

79040130767
 79040134375

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 927
First Arlington National Bank)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 19, 1979, the Commission determined by a vote of 6-0 to adopt the following recommendations, as set forth in the First General Counsel's Report dated March 15, 1979, regarding the above-captioned matter:

1. Find reason to believe that the First Arlington National Bank violated 2 U.S.C. §441b.
2. Send the appropriate letters.

Attest:

7 2 0 4 0 1 3 4 3 7 6
7 2 0 4 0 1 3 0 7 6 3
3/19/79

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 3-15-79, 10:30
Circulated on 48 hour vote basis: 3-15-79, 1:00



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Re: MUR 927

Dear Mr. Mills:

On April , 1979, the Commission voted to terminate its investigation in the above-referenced matter. A copy of the Commission's determination and the General Counsel's Report is enclosed for your information. Accordingly, the Commission intends to close its files in this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosures:

1. Commission Certification

79040134377
79040130769



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank
Supervision
Comptroller of the Currency
Washington, D.C. 20219

Re: Comptroller Referral of
February 2, 1978

Dear Mr. Homan:

The Federal Election Commission has voted to terminate its inquiry into the First Arlington National Bank of Arlington Heights, Illinois. The Commission determined that substantial compliance has been achieved with respect to the allegations in your complaint.

A copy of the Commission's determination and the General Counsel's Report is enclosed for your information. If you have any questions, please contact Duane A. Brown, the attorney assigned this matter, at 523-4057.

Sincerely,

William C. Oldaker
General Counsel

Enclosures:

1. Commission Certification

79040134373
79040130770

D. Brown / ACC 9756

RECEIVED
FEDERAL ELECTION
COMMISSION

First Arlington NATIONAL BANK

ONE NORTH DUNTON, ARLINGTON HEIGHTS, ILLINOIS 60006. PHONE (312) 870-3500. MEMBER FDIC

MAR 29 AM 11:19

March 26, 1979

Mr. Duane Brown
Attorney at Law
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

901802

Re: MUR 927

On December 6, 1978, our Board of Directors was notified by the Regional Counsel of the Comptroller of Currency of a possible violation of 2 U.S.C. §441b dating back to 1976 and totalling \$480.00. Research of all bank records spanning 1976 to present indicated a total of \$749.50 could be considered in violation, as reported in my letter of December 14, 1978. These funds were expended as a direct result of solicitation and resulted in either dinner tickets or advertising. Three separate audits by outside CPA firms, including Price Waterhouse, three bank examinations by the Office of the Comptroller of the Currency and an audit by the Internal Revenue Service of our 1976 return failed to disclose any misinterpretation or intent to violate the Federal Election Campaign Act of 1971 concerning these expenditures.

The Regional Counsel of the Comptroller of the Currency responded to our report of December 14, 1978 by his letter of February 26, 1979, stating that the expenditures were in violation by his interpretation. He further referred to the expenditures as unsafe and unsound actions by the officers and directors. Because of the definitive position of this regulatory agency, the Board of Directors at its regular meeting on March 12, 1979 directed that the Bank be reimbursed for the entire amount without protest and this action was consummated.

Obviously, there was no intent on behalf of the Board of Directors, nor the Management, past or present, to violate

MAR 29 2:38

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

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79040130771

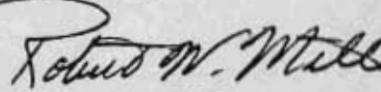
Mr. Duane Brown

-2-

March 26, 1979

any law or regulation. It is further clear that neither outside accountants nor Federal Agencies found practices in their examination of the Bank to indicate action should be initiated against, or by, the Bank. Accordingly, we request that the entire matter be dismissed as an honest error of minor concern to the safety of the Bank and the integrity of the political system.

Sincerely,



Robert W. Mills
President

79040134380
79040130772



Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

December 6, 1978

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Dear Ms. Brehm and Gentlemen:

Recently, we became aware that the records of the State Board of
Elections reportedly indicate that the First Arlington National
Bank ("Bank") has made "type four" contributions to a political
candidate or organization. These contributions generally consist
of items such as the purchase of advertisements in political ad
books or the purchase of tickets to political dinner/dances or
similar activities. Specifically, we are advised the Bank con-
tributed the following amounts for the benefit of the Wheeling
Township Republican Organization:

August 25, 1977	\$160.00
April 4, 1977	\$200.00
September 10, 1976	\$120.00

We would like to take this opportunity to discuss such expense
items in light of the Federal Election Campaign Act of 1971, as
amended (hereinafter the "Act"), 2 U.S.C. §431, et seq.

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

You should be aware that the Act, 2 U.S.C. §441b(a), prohibits national banks from making any "contribution or expenditure" to any political candidate or organization. As stated in Section 441b:

"... the term 'contribution or expenditure' shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services, or anything of value ... to any candidate, campaign committee, or political party or organization in connection with any election"

Accordingly, the issue raised by the above described action of the Bank is whether such an expense item constitutes a contribution or expenditure in connection with an election. It is our opinion, an opinion shared by the Federal Election Commission, that the purchase of dinner/dance tickets to a political event or the purchase of an advertisement in a political ad book constitutes an expenditure prohibited by the Act.

Under the Act and Regulations promulgated by the Federal Election Commission pursuant to its authority under the Act (11 C.F.R. §100.1, et seq.), advertisements purchased in publications sponsored by a candidate or political committee are not excepted from the definition of "expenditure." Similarly, the purchase of tickets to politically sponsored events enjoy no such exemption. Further, while one might question whether such expenditures are "in connection with the election to any political office", we point out that the prime purpose of a political committee is to influence the nomination or election of that party's candidates. All monies received by the committee, including those received from ad books and dinner/dances, either directly or indirectly further that purpose.

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Three

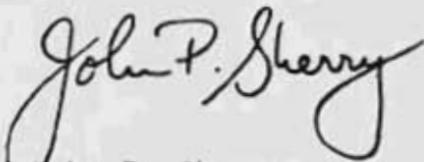
In view of the foregoing, we request that the Bank refrain from any future expenditures for the benefit of political committees or candidates. Further, we ask you to initiate a review of the Bank's expenses for the years 1976, 1977 and 1978, and to advise us of any expenditures made to any political candidates or committees. Your report on these expenditures should include the following:

- 7 9 0 4 1 1 3 3 3 3
1 0 7 5
1. the names of the recipients of the expenditures;
 2. the dates on which the expenditures were made;
 3. the amount of each expenditure, including a copy of the appropriate expense check;
 4. the purpose of such expenditures, e.g., advertisements in political ad books, dinner/dance tickets, etc.

Finally, we request advice as to whether the Bank has or will be reimbursed for these expenditures.

We await your report on this matter. Should you have any questions, please do not hesitate to contact this Office.

Very truly yours,



John P. Sherry
Regional Counsel

December 14, 1978

Mr. John P. Sherry, Regional Counsel
Comptroller of the Currency
Seventh National Bank Region
233 South Wacker Drive, Suite 5750
Chicago, Illinois 60606

Re: Your letter of December 6, 1978
"type four" contributions

The Board of Directors has reviewed the referenced letter and Article 2 U.S.C. 441b(a). We regret our misinterpretation of the intent of this paragraph as evidenced by our actions for the years 1976, 1977 and 1978 which you have brought to our attention. Obviously, these expenses were as a result of solicitations from the various organizations who were also unaware that this type of expense might be construed to be in violation of regulations.

It is, of course, our opinion that we were purchasing advertising or in reality paying for a meal which was served and not making political donations as interpreted.

Accordingly, First Arlington National Bank will refrain from further expenditures for the benefit of political candidates of this nature. We have reviewed the Bank expense for the years 1976, 1977 and 1978 and enclose a list of expenditures of this nature. The report attached includes the name of recipient, dates, amounts where indicated, and the purpose.

Due to the long standing misinterpretation of this regulation and the fact that the expenditures are of a rather minor nature and the fact that the people responsible for authorizing these expenditures are no longer employed by this Bank, we will not seek reimbursement on any item.

If additional information is required please do not hesitate to contact me.

Sincerely,

Robert W. Mills
President

79049134384
79040140776



Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

February 26, 1979

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

777 Ms. Brehm and Gentlemen:

777 We are in receipt of your letter of December 14, 1978, responding to our inquiry concerning political contributions.

777 Based upon our review of your letter, we conclude that funds of the First Arlington National Bank ("Bank") have been disbursed for purposes prohibited by the Federal Election Campaign Act of 1971, as amended (the "Act"), 2 U.S.C. §431, et seq. Despite the prohibited nature of these expenditures, you advise that you have elected not to seek and/or to reimburse the Bank for the amount of the disbursements. We can not accept this position.

777 Our concern in this matter is quite simple. The Bank has wrongfully been deprived of its assets through violations of law and unsafe and unsound actions of its officers and/or directors. The resulting loss from these actions shall not fall upon the Bank. Rather, owing to your fiduciary responsibility to the Bank, as well as your obligation to manage the affairs of the Bank in accordance with law, it is your responsibility to make the Bank whole.

749.50

February 26, 1979

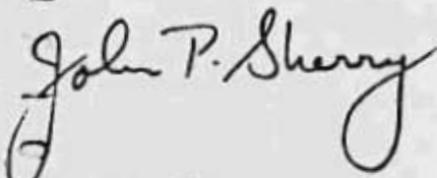
Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

We are not concerned about the source of reimbursement, whether it be from the recipients of the disbursements, the individuals at the Bank who authorized the payments, or from the individual members of the Board of Directors. This choice is within your discretion. However, consistent with your obligations as directors of a national bank, you must initiate the appropriate action to repair the damage to the Bank.

Please advise us of the action you will initiate.

Very truly yours,



John P. Sherry
Regional Counsel

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7900

ARC 983

RECEIVED
FEDERAL ELECTION
COMMISSION

Comptroller of the Currency
Administrator of National Banks

'79 APR 9 PM 10:23

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

901928

April 4, 1979

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

Dear Mr. Oldaker:

As a follow-up to a letter from our Washington Office dated February 2, 1979, concerning political contributions by First Arlington National Bank, Arlington Heights, Illinois, we are enclosing a letter from the Bank dated March 29, 1979. Attached to this letter is a copy of the Bank's letter dated March 26, 1979, to Mr. Duane Brown, an attorney with your Office. In the Bank's letter, Robert W. Mills, President, advises that the Bank has been reimbursed for the expenditures made in contravention of 2 U.S.C. §441b.

It appears you have been advised of this matter; if so, we regret the duplication.

Very truly yours,

John P. Sherry
Regional Counsel

Attachment

79040134387

FIRST ARLINGTON NATIONAL BANK DOWNTOWN PLAZA - ARLINGTON HEIGHTS, ILL. - 60004

ROBERT W. MILLS
PRESIDENT

312-870-3500

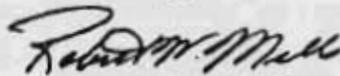
March 29, 1979

Mr. John P. Sherry
Regional Counsel
Comptroller of the Currency
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606

Re: Your letter of February 26, 1979

Attached is a letter to the Federal Election
Commission. We sincerely hope that this letter
satisfies the requirement of the reference above.

Sincerely,



Robert W. Mills
President

79040131388



March 26, 1979

Mr. Duane Brown
Attorney at Law
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: MUR 927

On December 6, 1978, our Board of Directors was notified by the Regional Counsel of the Comptroller of Currency of a possible violation of 2 U.S.C. §441b dating back to 1976 and totalling \$480.00. Research of all bank records spanning 1976 to present indicated a total of \$749.50 could be considered in violation, as reported in my letter of December 14, 1978. These funds were expended as a direct result of solicitation and resulted in either dinner tickets or advertising. Three separate audits by outside CPA Firms, including Price Waterhouse, three bank examinations by the Office of the Comptroller of the Currency and an audit by the Internal Revenue Service of our 1976 return failed to disclose any misinterpretation or intent to violate the Federal Election Campaign Act of 1971 concerning these expenditures.

The Regional Counsel of the Comptroller of the Currency responded to our report of December 14, 1978 by his letter of February 26, 1979, stating that the expenditures were in violation by his interpretation. He further referred to the expenditures as unsafe and unsound actions by the officers and directors. Because of the definitive position of this regulatory agency, the Board of Directors at its regular meeting on March 12, 1979 directed that the Bank be reimbursed for the entire amount without protest and this action was consummated.

Obviously, there was no intent on behalf of the Board of Directors, nor the Management, past or present, to violate

6821211067

any law or regulation. It is further clear that neither outside accountants nor Federal Agencies found practices in their examination of the Bank to indicate action should be initiated against, or by, the Bank. Accordingly, we request that the entire matter be dismissed as an honest error of minor concern to the safety of the Bank and the integrity of the political system.

Sincerely,

Robert W. Mills
President

79040134390



Postage and Fees Paid
Department of the Treasury
Treasury - 556



RECEIVED
FEDERAL ELECTION
COMMISSION

Comptroller of the Currency
Administrator of National Banks

'79 APR 9 PM 10:43

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606

Official Business. Penalty for Private Use: \$300

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

79040

ACC 9756

RECEIVED
FEDERAL ELECTION
COMMISSION

First Arlington NATIONAL BANK

ONE NORTH DUNTON, ARLINGTON HEIGHTS, ILLINOIS 60006, PHONE (312) 870-3500, MEMBER FDIC

MAR 29 AM 11:19

March 26, 1979

Mr. Duane Brown
Attorney at Law
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

901802

Re: MUR 927

On December 6, 1978, our Board of Directors was notified by the Regional Counsel of the Comptroller of Currency of a possible violation of 2 U.S.C. §441b dating back to 1976 and totalling \$480.00. Research of all bank records spanning 1976 to present indicated a total of \$749.50 could be considered in violation, as reported in my letter of December 14, 1978. These funds were expended as a direct result of solicitation and resulted in either dinner tickets or advertising. Three separate audits by outside CPA firms, including Price Waterhouse, three bank examinations by the Office of the Comptroller of the Currency and an audit by the Internal Revenue Service of our 1976 return failed to disclose any misinterpretation or intent to violate the Federal Election Campaign Act of 1971 concerning these expenditures.

The Regional Counsel of the Comptroller of the Currency responded to our report of December 14, 1978 by his letter of February 26, 1979, stating that the expenditures were in violation by his interpretation. He further referred to the expenditures as unsafe and unsound actions by the officers and directors. Because of the definitive position of this regulatory agency, the Board of Directors at its regular meeting on March 12, 1979 directed that the Bank be reimbursed for the entire amount without protest and this action was consummated.

Obviously, there was no intent on behalf of the Board of Directors, nor the Management, past or present, to violate

MAR 29 2:38

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

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79040131392

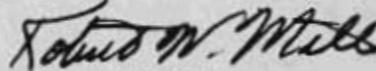
Mr. Duane Brown

-2-

March 26, 1979

any law or regulation. It is further clear that neither outside accountants nor Federal Agencies found practices in their examination of the Bank to indicate action should be initiated against, or by, the Bank. Accordingly, we request that the entire matter be dismissed as an honest error of minor concern to the safety of the Bank and the integrity of the political system.

Sincerely,



Robert W. Mills
President

79040134393
79040150780

Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

December 6, 1978

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Dear Ms. Brehm and Gentlemen:

9 0 4 0 1 3 4 3
Recently, we became aware that the records of the State Board of Elections reportedly indicate that the First Arlington National Bank ("Bank") has made "type four" contributions to a political candidate or organization. These contributions generally consist of items such as the purchase of advertisements in political ad books or the purchase of tickets to political dinner/dances or similar activities. Specifically, we are advised the Bank contributed the following amounts for the benefit of the Wheeling Township Republican Organization:

August 25, 1977	\$160.00
April 4, 1977	\$200.00
September 10, 1976	\$120.00

We would like to take this opportunity to discuss such expense items in light of the Federal Election Campaign Act of 1971, as amended (hereinafter the "Act"), 2 U.S.C. §431, et seq.

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

You should be aware that the Act, 2 U.S.C. §441b(a), prohibits national banks from making any "contribution or expenditure" to any political candidate or organization. As stated in Section 441b:

"... the term 'contribution or expenditure' shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services, or anything of value ... to any candidate, campaign committee, or political party or organization in connection with any election"

Accordingly, the issue raised by the above described action of the Bank is whether such an expense item constitutes a contribution or expenditure in connection with an election. It is our opinion, an opinion shared by the Federal Election Commission, that the purchase of dinner/dance tickets to a political event or the purchase of an advertisement in a political ad book constitutes an expenditure prohibited by the Act.

Under the Act and Regulations promulgated by the Federal Election Commission pursuant to its authority under the Act (11 C.F.R. §100.1, et seq.), advertisements purchased in publications sponsored by a candidate or political committee are not excepted from the definition of "expenditure." Similarly, the purchase of tickets to politically sponsored events enjoy no such exemption. Further, while one might question whether such expenditures are "in connection with the election to any political office", we point out that the prime purpose of a political committee is to influence the nomination or election of that party's candidates. All monies received by the committee, including those received from ad books and dinner/dances, either directly or indirectly further that purpose.

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Three

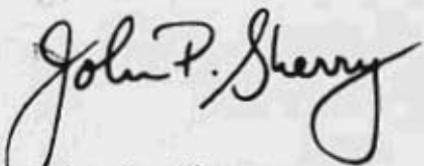
In view of the foregoing, we request that the Bank refrain from any future expenditures for the benefit of political committees or candidates. Further, we ask you to initiate a review of the Bank's expenses for the years 1976, 1977 and 1978, and to advise us of any expenditures made to any political candidates or committees. Your report on these expenditures should include the following:

1. the names of the recipients of the expenditures;
2. the dates on which the expenditures were made;
3. the amount of each expenditure, including a copy of the appropriate expense check;
4. the purpose of such expenditures, e.g., advertisements in political ad books, dinner/dance tickets, etc.

Finally, we request advice as to whether the Bank has or will be reimbursed for these expenditures.

We await your report on this matter. Should you have any questions, please do not hesitate to contact this Office.

Very truly yours,



John P. Sherry
Regional Counsel

3904131396
0703

December 14, 1978

Mr. John P. Sherry, Regional Counsel
Comptroller of the Currency
Seventh National Bank Region
233 South Wacker Drive, Suite 5750
Chicago, Illinois 60606

Re: Your letter of December 6, 1978
"type four" contributions

The Board of Directors has reviewed the referenced letter and Article 2 U.S.C. 441b(a). We regret our misinterpretation of the intent of this paragraph as evidenced by our actions for the years 1976, 1977 and 1978 which you have brought to our attention. Obviously, these expenses were as a result of solicitations from the various organizations who were also unaware that this type of expense might be construed to be in violation of regulations.

It is, of course, our opinion that we were purchasing advertising or in reality paying for a meal which was served and not making political donations as interpreted.

Accordingly, First Arlington National Bank will refrain from further expenditures for the benefit of political candidates of this nature. We have reviewed the Bank expense for the years 1976, 1977 and 1978 and enclose a list of expenditures of this nature. The report attached includes the name of recipient, dates, amounts where indicated, and the purpose.

Due to the long standing misinterpretation of this regulation and the fact that the expenditures are of a rather minor nature and the fact that the people responsible for authorizing these expenditures are no longer employed by this Bank, we will not seek reimbursement on any item.

If additional information is required please do not hesitate to contact me.

Sincerely,

Robert W. Mills
President

79040134397
79040130731

Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

February 26, 1979

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Ms. Brehm and Gentlemen:

We are in receipt of your letter of December 14, 1978, responding to our inquiry concerning political contributions.

Based upon our review of your letter, we conclude that funds of the First Arlington National Bank ("Bank") have been disbursed for purposes prohibited by the Federal Election Campaign Act of 1971, as amended (the "Act"), 2 U.S.C. §431, et seq. Despite the prohibited nature of these expenditures, you advise that you have elected not to seek and/or to reimburse the Bank for the amount of the disbursements. We can not accept this position.

Our concern in this matter is quite simple. The Bank has wrongfully been deprived of its assets through violations of law and unsafe and unsound actions of its officers and/or directors. The resulting loss from these actions shall not fall upon the Bank. Rather, owing to your fiduciary responsibility to the Bank, as well as your obligation to manage the affairs of the Bank in accordance with law, it is your responsibility to make the Bank whole.

749.50

79040134398
7904010783

February 26, 1979

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

We are not concerned about the source of reimbursement, whether it be from the recipients of the disbursements, the individuals at the Bank who authorized the payments, or from the individual members of the Board of Directors. This choice is within your discretion. However, consistent with your obligations as directors of a national bank, you must initiate the appropriate action to repair the damage to the Bank.

Please advise us of the action you will initiate.

Very truly yours,

John P. Sherry

John P. Sherry
Regional Counsel

79040131399
79040131399

79 MAR 29 AM 11:19



**First Arling
NATIONAL BANK**
ONE NORTH CLINTON ARLINGTON HEIGHTS, ILLINOIS 60009

040130787

Mr. Duane Brown
Attorney at Law
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463



FEDERAL ELECTION COMMISSION

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

March 22, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank Supervision
Comptroller of the Currency
Washington, D.C. 20219

Dear Mr. Homan:

This is to acknowledge receipt of your letter of February 2, 1979, inquiring into the possibility of a violation of the Federal Election Campaign Act of 1971, as amended. We are currently reviewing this matter.

If you have any questions, please call Duane A. Brown, the attorney assigned to this matter, at (202) 523-4057.

Sincerely,

William C. Oldaker

William C. Oldaker
General Counsel

7 0 0 1 0 1 0 7 3 9

1. The following service is requested (check one) <input type="checkbox"/> Show to whom and date delivered <input checked="" type="checkbox"/> Show to whom, date, and address of delivery <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom, date, and address of delivery \$ (CONSULT POSTMASTER FOR FEES)		2. ARTICLE ADDRESSED TO: <i>Paul M. Homan</i>	
3. ARTICLE DESCRIPTION REGISTERED NO. <i>9927</i>	INSURED NO.	4. SIGNATURE OF ADDRESSEE <input checked="" type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent (Always obtain signature of addressee or agent)	
5. ADDRESS COMPLETE PER POSTMASTER'S INSTRUCTIONS DATE OF DELIVERY 1979 DIVISION POSTMARK		6. UNABLE TO DELIVER BECAUSE:	
		CLERK'S INITIALS	

PS Form 3811, Apr 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

FORM 1877-0-240-585

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan,
Deputy Comptroller of Bank Supervision
Comptroller of the Currency
Washington, D.C. 20219

Dear Mr. Homan:

This is to acknowledge receipt of your letter of February 2, 1979, inquiring into the possibility of a violation of the Federal Election Campaign Act of 1971, as amended. We are currently reviewing this matter.

If you have any questions, please call Duane A. Brown, the attorney assigned to this matter, at (202) 523-4057.

Sincerely,

William C. Oldaker
General Counsel



7904013078

7904013078



FEDERAL ELECTION COMMISSION

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

March 22, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

RE: MUR 927

Dear Mr. Mills:

The Federal Election Commission has received a complaint which alleges your bank committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered the matter MUR 927. The Commission has reason to believe that the matters alleged state a violation of 2 U.S.C. §441b. Specifically, it appears that the First Arlington National Bank made several contributions/expenditures in favor of the Wheeling Township Regular Democratic Organization and the Wheeling Township Republican Organization.

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 submitted within ten days after your receipt of this notification.

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

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



79010110790
790101131403

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

Complaint

79040131404
79040130791

Milk #27 D. Brown

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

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

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

2. ARTICLE ADDRESSED TO:
*ROBERT FALLS
 1ST ARLINGTON NAT'L.
 1 N. DUPONT CIRCLE
 ARLINGTON HEIGHTS, ILL.*

3. ARTICLE DESCRIPTION
 REGISTERED NO. CERTIFIED NO. INSURED NO.
92000

(Always obtain signature of addressee or agent)

I have received the article described above
 SIGNATURE Addressee Authorized agent
[Signature]

4. DATE OF DELIVERY *3* POSTMARK
[Postmark]

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS
[Initials]

☆GPO: 1977-0-249595

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

RE: PRO MUR 927

Dear Mr. Mills:

The Federal Election Commission has received a complaint which alleges your bank committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered the matter PMER 92736. The Commission has reason to believe that the matters alleged state a violation of 2 U.S.C. §441b. Specifically, it appears that the First Arlington National Bank made several contributions/expenditures in favor of the Wheeling Township Regular Democratic Organization and the Wheeling Township Republican Organization.

○ 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 submitted within ten days after your receipt of this notification.

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

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

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

Sincerely,

William C. Oldaker
General Counsel



Enclosure
Complaint

79040134406
79040150793

March 15, 1979

MEMORANDUM TO: Marge Emmons
FROM: Jane Colgrove
SUBJECT: MUR 927

Please have the attached First General Counsel's Report on MUR 927 distributed to the Commission on a 48 hour tally basis.

Thank you.

79040134407

79040130794

FEDERAL ELECTION COMMISSION RECEIVED
1325 K Street, N.W. OFFICE OF THE
Washington, D.C. 20463 COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT A10: 30
75 MAR 15

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION MAR 15 1979

MUR NO. MUR 927
DATE COMPLAINT RECEIVED
BY OGC _____
STAFF _____
MEMBER Duane Brown

SOURCE: Comptroller of the Currency
Administrator of National Banks

RESPONDENT'S NAME: First Arlington National Bank

RELEVANT STATUTE: 2 U.S.C. §441b

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

This matter was referred to the Commission by the Comptroller of the Currency as a result of information discovered in the records by the State Board of Elections of Illinois. The Comptroller alleges that the Respondent, First Arlington National Bank, committed a possible violation of the Act when the latter made several contributions for the benefit of both the Wheeling Township Republican Organization and the Wheeling Township Democratic Organization. Specifically, contributions for political dinner/dances and similar politically sponsored activities were made.

LEGAL ANALYSIS

Under 2 U.S.C. §441b of our Act, national banks are prohibited from making any "contribution or expenditure" in connection with any election to a political office. 2 U.S.C. §441b(b) (2) states that:

"... [T]he term 'contribution or expenditure' shall include any direct or indirect payment, distribution loan, advance, deposit, or gift of money... or anything of value... to any candidate, campaign committee, or political committee or organization in connection with any election... ."

79040131408
904013079

It appears that the expenditures by the First Arlington National Bank constitute a contribution or expenditure in connection with an election and is therefore in violation of the 2 U.S.C. §441b of the Act.

RECOMMENDATION

1. Find reason to believe that the First Arlington National Bank violated 2 U.S.C. §441b.
2. Send the appropriate letters.

79040131409
79040131409

Attachments

Complaint

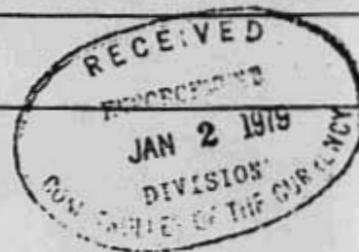
Letter to Robert W. Mills

Letter to Paul M. Homan



MORANDUM

Comptroller of the Currency
Administrator of National Banks



Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606

To: Robert B. Serino, Director
Enforcement & Compliance Division

From: John P. Sherry, Regional Counsel *J.P. Sherry*

Date: December 27, 1978

Subject: First Arlington National Bank
Arlington Heights, Illinois

79040134411
79040160798

I. Summary

Recently, we were informed that referenced bank had made several disbursements for the benefit of the Wheeling Township Republican Organization, in possible violation of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. §413, et seq.). Upon further inquiry, the bank has acknowledged making the following contributions:

	<u>Recipients</u>	<u>Date</u>	<u>Amount</u>
1.	Wheeling Twp. Regular Democratic Organization	2/13/76	\$ 25.00
2.	Wheeling Twp. Republican Organization	9/8/76	120.00
3.	Republican Committeemen Annual Director	9/9/76	50.00
4.	Wheeling Twp. Regular Democratic Organization	2/8/77	50.00
5.	Wheeling Twp. Republican Organization	3/30/77	200.00
6.	" " " " " " " "	8/12/77	160.00
7.	Wheeling Twp. Regular Democratic Organization	2/13/78	50.00
8.	Wheeling Twp. Republican Organization	10/14/78	35.00
9.	Wheeling Twp. Republican Club	10/16/78	59.50

II. Evidence

For your reference, we are enclosing a copy of our letter dated December 6, 1978, advising the bank of the allegations we received. Further, we enclose the response from the bank, acknowledging a total of nine contributions since January 1, 1976, together with copies of the expense checks for each donation and a summarization of all of the expenditures. In reviewing the summarization sheet, we note that the funds were extended for the purchase of either tickets to politically sponsored events or advertisements in political ad books. We also note that the Board is not planning to reimburse the bank for these expenses.

III. Analysis

It appears these payments to the organizations listed above constitute "contributions" as defined in the Act. See 2 U.S.C. §431(e). Accordingly, the Bank has possibly violated the provisions of Section 441b(a), prohibiting contributions by national banks to political candidates and organizations.

We refer these matters to your attention for the action you deem appropriate.

Enclosures

79040134412
79040130799

Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

December 6, 1978

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Dear Ms. Brehm and Gentlemen:

79040134413
0800

Recently, we became aware that the records of the State Board of Elections reportedly indicate that the First Arlington National Bank ("Bank") has made "type four" contributions to a political candidate or organization. These contributions generally consist of items such as the purchase of advertisements in political ad books or the purchase of tickets to political dinner/dances or similar activities. Specifically, we are advised the Bank contributed the following amounts for the benefit of the Wheeling Township Republican Organization:

August 25, 1977	\$160.00
April 4, 1977	\$200.00
September 10, 1976	\$120.00

79040134413
0800

We would like to take this opportunity to discuss such expense items in light of the Federal Election Campaign Act of 1971, as amended (hereinafter the "Act"), 2 U.S.C. §431, et seq.

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Three

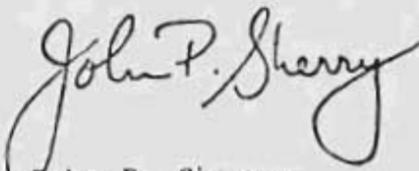
In view of the foregoing, we request that the Bank refrain from any future expenditures for the benefit of political committees or candidates. Further, we ask you to initiate a review of the Bank's expenses for the years 1976, 1977 and 1978, and to advise us of any expenditures made to any political candidates or committees. Your report on these expenditures should include the following:

1. the names of the recipients of the expenditures;
2. the dates on which the expenditures were made;
3. the amount of each expenditure, including a copy of the appropriate expense check;
4. the purpose of such expenditures, e.g., advertisements in political ad books, dinner/dance tickets, etc.

Finally, we request advice as to whether the Bank has or will be reimbursed for these expenditures.

We await your report on this matter. Should you have any questions, please do not hesitate to contact this Office.

Very truly yours,



John P. Sherry
Regional Counsel

79040130802
79040134415

ROBERT W. MILLS
PRESIDENT

December 14, 1978

312-870-3500

Mr. John P. Sherry, Regional Counsel
Comptroller of the Currency
Seventh National Bank Region
233 South Wacker Drive, Suite 5750
Chicago, Illinois 60606

Re: Your letter of December 6, 1978
"type four" contributions

The Board of Directors has reviewed the referenced letter and Article 2 U.S.C. 441b(a). We regret our misinterpretation of the intent of this paragraph as evidenced by our actions for the years 1976, 1977 and 1978 which you have brought to our attention. Obviously, these expenses were as a result of solicitations from the various organizations who were also unaware that this type of expense might be construed to be in violation of regulations.

It is, of course, our opinion that we were purchasing advertising or in reality paying for a meal which was served and not making political donations as interpreted.

Accordingly, First Arlington National Bank will refrain from further expenditures for the benefit of political candidates of this nature. We have reviewed the Bank expense for the years 1976, 1977 and 1978 and enclose a list of expenditures of this nature. The report attached includes the name of recipient, dates, amounts where indicated, and the purpose.

Due to the long standing misinterpretation of this regulation and the fact that the expenditures are of a rather minor nature and the fact that some of the people responsible for authorizing these expenditures are no longer employed by this Bank, we will not seek reimbursement on any item.

If additional information is required please do not hesitate to contact me.

Sincerely,

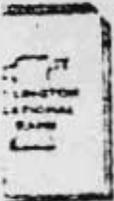


Robert W. Mills
President

79040130803

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d / Dinner	2/13/76 ¹	Ck# 10487	Wheeling Township Regular Democratic Organization	\$25.00
page ad	9/9/76 ³	Ck# 12188	Republic Committeemen Annual Directory	\$50.00
d Book	2/8/77 ⁴	Ck# 118762	Wheeling Township Regular Democratic Organization	\$50.00
page ad	2/13/78 ¹	Ck# 20027	Wheeling Township Regular Democratic Organization	\$50.00
innings	10/16/78 ³	Am. Express Money Order	Wheeling Township Republican Club	\$59.50
page ad	10/14/78 ⁵	Ck# 21823	Wheeling Township Republican Organization	\$35.00
Full page ad	9/8/76 ³	Ck# 12187	Wheeling Township Republican Organization	\$120.00
Directors	3/30/77 ⁵	Ck# 13886	Wheeling Township Republican Organization	\$200.00
Full page ad	8/12/77 ⁴	Ck# 15045	Wheeling Township Republican Organization	\$160.00



FIRST ARLINGTON NATIONAL BANK

DOWNTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS

No. 10487

76-2144
711

February 9, 1976

FANB 25 AND 00CS \$ 25.00

PAY
TO THE ORDER OF

Wheeling Township Regular Democratic
Organization
1840 North Chestnut Avenue
Arlington Heights, Illinois

REFERENCE	
Donation - Annual Dinner	
Dance Ad Book	\$25.00

[Signature]
AUTHORIZED

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FIRST ARLINGTON NATIONAL BANK

DOWNTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS 60006

No. 118762

70-2148
719

PAY TO THE ORDER OF Wheeling Township Regular Bus. Organization ***** \$ 50.00

FIFTY DOLLARS

First Arlington National Bank

CASHIER'S CHECK

⑈ 118762 ⑈ ⑈ 0719 ⑈ 2148 ⑈ ⑈ 7777 ⑈ ⑈

⑈ 0000005000 ⑈

79040131420
79040130807



First American
NATIONAL BANK

INCORPORATED IN ILLINOIS

20027

70-2148
719

February 13 1978

E.A.N.B. ~~50.00~~ 50.00

PAY TO THE ORDER OF

Wheeling Township Regular Democratic Org.
1840 N. Chestnut Ave.
Arlington Heights, Illinois 60004

ACCOUNT NO.	REFERENCE	AMOUNT
40600	Annual Dinner Dance March	50.00
028	3-7-78	

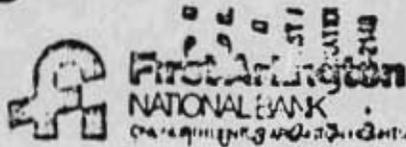
[Signature]
AUTHORIZED SIGNATURE

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21823

70-2148
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October 2, 19 78

PAY TO THE ORDER OF

1ST ARLINGTON NATIONAL BANK 675 \$ 35.00

Wheeling Township Republican Organization
7 1/2 East Miner Street
Arlington Heights, Il. 60004

63100
FIRST ARLINGTON NATIONAL BANK
10010 10010 10010

Statement of 9/19/78 35.00

Gray L. Frump
AUTHORIZED SIGNATURE

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79040108007

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DOWNTON, ILLINOIS
ARLINGTON HEIGHTS, ILLINOIS 60005

No. 12187

10-2143
719

September 8, 19 76

PAY TO THE ORDER OF
151 ARLINGTON NATIONAL BANK **120 AND 00/100**

\$ 120.00

Wheeling Township Republican Organization
1314 West Northwest Highway
Arlington Heights, Illinois 60004

REFERENCE	
Ret: Donation to organization	
Full pg. ad	\$120.00

[Handwritten Signature]

AUTHORIZED SIGNATURE

⑈012187⑈ ⑆0719-2⑆

⑆0000012000⑆

79040134423
79040130810

FIRST ARLINGTON NATIONAL BANK

WHEELING TOWNSHIP PLAZA
ARLINGTON HEIGHTS, ILL. 60005
FIRST ARLINGTON NATIONAL BANK
ARLINGTON HEIGHTS, ILL. 60005

No. 15045

August 12, 1977

FANBETI00AND00CTS

\$ 160.00

PAY
TO THE ORDER OF

70	0001	RE: 1977 - 1978 Yearbook	160.00
----	------	--------------------------	--------

Wheeling Township Republican Organization
311 North Patton Avenue
Arlington Heights, Ill. 60005

Robert M. Miller

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79040134423
79040130812



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert W. Mills
President
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

RE: MUR 927

Dear Mr. Mills:

The Federal Election Commission has received a complaint which alleges your bank committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered the matter MUR 927. The Commission has reason to believe that the matters alleged state a violation of 2 U.S.C. §441b. Specifically, it appears that the First Arlington National Bank made several contributions/expenditures in favor of the Wheeling Township Regular Democratic Organization and the Wheeling Township Republican Organization.

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 submitted within ten days after your receipt of this notification.

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

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



79040130813
37040134423

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

Complaint

79040131427

79040130814



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul M. Homan
Deputy Comptroller of Bank Supervision
Comptroller of the Currency
Washington, D.C. 20219

Dear Mr. Homan:

This is to acknowledge receipt of your letter of February 2, 1979, inquiring into the possibility of a violation of the Federal Election Campaign Act of 1971, as amended. We are currently reviewing this matter.

If you have any questions, please call Duane A. Brown, the attorney assigned to this matter, at (202) 523-4057.

Sincerely,

William C. Oldaker
General Counsel



79040130815

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
First Arlington National)
Bank of Illinois)

PRE-MUR 26

CERTIFICATION

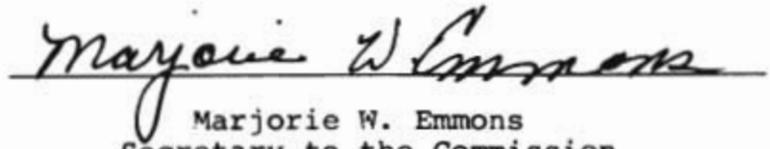
I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 6, 1979, the Commission approved by a vote of 5-0 the recommendation, as set forth in the General Counsel's Memorandum dated March 2, 1979, to authorize that this matter be made into a MUR.

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

Attest:

3/7/79

Date



Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 3-2-79, 11:03
Circulated on 48 hour vote basis: 3-2-79, 4:30

March 2, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: Pre NUR 26

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

Thank you.

79040134430



FEDERAL ELECTION COMMISSION

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

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 MAR 2 11: 03

March 2, 1979

MEMORANDUM

TO: THE COMMISSION
FROM: William C. Oldaker *WCO*
RE: Pre-MUR 26

Background

As a result of information discovered in the records maintained by the State Board of Elections of Illinois, the Comptroller of the Currency referred this matter to the Commission alleging possible violations of the Federal Election Campaign Act of 1971, as amended. The prospective respondent in this matter is the First Arlington National Bank of Illinois.

Facts

The respondent bank made several contributions for the benefit of the Wheeling Township Republican and Democratic Organizations. Specifically, contributions for political dinner/dances and similar politically sponsored activities were made.

Analysis

Under 2 U.S.C. §441b of our Act, national banks are prohibited from making any "contribution or expenditure" in connection with any election to a political office. 2 U.S.C. §441b(b) (2) states that:

"...[T]he term 'contribution or expenditure' shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money ... or anything of value ... to any candidate, campaign committee, or political committee or organization in connection with any election ...".

It appears that the expenditures by the First Arlington National Bank may constitute a contribution or expenditure in connection with an election and may therefore be in violation of 2 U.S.C. §441b of our Act.

79040134431



Recommendation

Authorize that this matter be made into a MUR.

Attachment

Referral

79040134432

CCC#
9274



Comptroller of the Currency
Administrator of National Banks

Washington, D. C. 20219

February 2, 1979

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

50073

Dear Mr. Oldaker:

The Comptroller's Regional Office in Chicago recently discovered information in the records of the State Board of Elections of Illinois indicating a possible violation of 2 U.S.C. 441b by the First Arlington National Bank, Arlington Heights, Illinois. The alleged facts are as follows:

Since January 1, 1979, the bank has made several contributions for the benefit of both the Wheeling Township Republican Organization and the Wheeling Township Democratic Organization. Specifically, nine such contributions have been made, in the total amount of \$749.50, consisting of items such as the purchase of tickets to political dinner/dances and similar politically sponsored activities or the purchase of advertisements in political ad books. The Comptroller's Chicago Office has noted that the Board of Directors is not planning to seek reimbursement for the bank of any of these expenses in light of their minor nature. Incidentally, it is the Board's opinion that they were really purchasing advertising or paying for a meal, and were not making political donations as interpreted. In any event, the First Arlington National Bank has agreed to refrain from further expenditures of this type for the benefit of political candidates.

In light of the Federal Election Commission's jurisdiction over potential violations of 2 U.S.C. 441b, we believe that this information should be referred to you for your independent investigation and review. If we can be of any further assistance or can provide any information, please contact Mr. Wayne C. Vennard, Jr., of our Enforcement and Compliance Division at 447-1987.

Sincerely,

Paul M. Homan
Deputy Comptroller for Bank Supervision

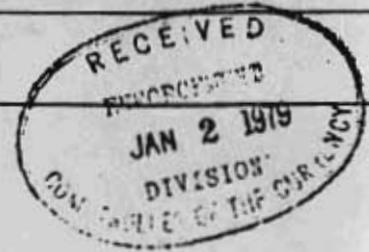
Attachments

290440134433



MORANDUM

Comptroller of the Currency
Administrator of National Banks



Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606

To: Robert B. Serino, Director
Enforcement & Compliance Division

From: John P. Sherry, Regional Counsel *J.P. Sherry*

Date: December 27, 1978

Subject: First Arlington National Bank
Arlington Heights, Illinois

I. Summary

Recently, we were informed that referenced bank had made several disbursements for the benefit of the Wheeling Township Republican Organization, in possible violation of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. §413, et seq.). Upon further inquiry, the bank has acknowledged making the following contributions:

	<u>Recipients</u>	<u>Date</u>	<u>Amount</u>
1.	Wheeling Twp. Regular Democratic Organization	2/13/76	\$ 25.00
2.	Wheeling Twp. Republican Organization	9/8/76	120.00
3.	Republican Committeemen Annual Director	9/9/76	50.00
4.	Wheeling Twp. Regular Democratic Organization	2/8/77	50.00
5.	Wheeling Twp. Republican Organization	3/30/77	200.00
6.	" " " " " "	8/12/77	160.00
7.	Wheeling Twp. Regular Democratic Organization	2/13/78	50.00
8.	Wheeling Twp. Republican Organization	10/14/78	35.00
9.	Wheeling Twp. Republican Club	10/16/78	59.50

79040134434

II. Evidence

For your reference, we are enclosing a copy of our letter dated December 6, 1978, advising the bank of the allegations we received. Further, we enclose the response from the bank, acknowledging a total of nine contributions since January 1, 1976, together with copies of the expense checks for each donation and a summarization of all of the expenditures. In reviewing the summarization sheet, we note that the funds were extended for the purchase of either tickets to politically sponsored events or advertisements in political ad books. We also note that the Board is not planning to reimburse the bank for these expenses.

III. Analysis

It appears these payments to the organizations listed above constitute "contributions" as defined in the Act. See 2 U.S.C. §431(e). Accordingly, the Bank has possibly violated the provisions of Section 441b(a), prohibiting contributions by national banks to political candidates and organizations.

We refer these matters to your attention for the action you deem appropriate.

Enclosures

1904013445

Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

December 6, 1978

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Dear Ms. Brehm and Gentlemen:

Recently, we became aware that the records of the State Board of Elections reportedly indicate that the First Arlington National Bank ("Bank") has made "type four" contributions to a political candidate or organization. These contributions generally consist of items such as the purchase of advertisements in political ad books or the purchase of tickets to political dinner/dances or similar activities. Specifically, we are advised the Bank contributed the following amounts for the benefit of the Wheeling Township Republican Organization:

August 25, 1977	\$160.00
April 4, 1977	\$200.00
September 10, 1976	\$120.00

We would like to take this opportunity to discuss such expense items in light of the Federal Election Campaign Act of 1971, as amended (hereinafter the "Act"), 2 U.S.C. §431, et seq.

904013430

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

You should be aware that the Act, 2 U.S.C. §441b(a), prohibits national banks from making any "contribution or expenditure" to any political candidate or organization. As stated in-Section 441b:

"... the term 'contribution or expenditure' shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services, or anything of value ... to any candidate, campaign committee, or political party or organization in connection with any election"

29040131437
Accordingly, the issue raised by the above described action of the Bank is whether such an expense item constitutes a contribution or expenditure in connection with an election. It is our opinion, an opinion shared by the Federal Election Commission, that the purchase of dinner/dance tickets to a political event or the purchase of an advertisement in a political ad book constitutes an expenditure prohibited by the Act.

Under the Act and Regulations promulgated by the Federal Election Commission pursuant to its authority under the Act (11 C.F.R. §100.1, et seq.), advertisements purchased in publications sponsored by a candidate or political committee are not excepted from the definition of "expenditure." Similarly, the purchase of tickets to politically sponsored events enjoy no such exemption. Further, while one might question whether such expenditures are "in connection with the election to any political office", we point out that the prime purpose of a political committee is to influence the nomination or election of that party's candidates. All monies received by the committee, including those received from ad books and dinner/dances, either directly or indirectly further that purpose.

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Three

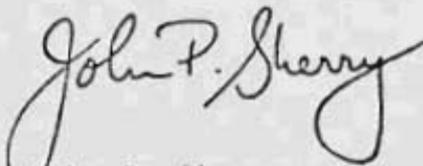
In view of the foregoing, we request that the Bank refrain from any future expenditures for the benefit of political committees or candidates. Further, we ask you to initiate a review of the Bank's expenses for the years 1976, 1977 and 1978, and to advise us of any expenditures made to any political candidates or committees. Your report on these expenditures should include the following:

1. the names of the recipients of the expenditures;
2. the dates on which the expenditures were made;
3. the amount of each expenditure, including a copy of the appropriate expense check;
4. the purpose of such expenditures, e.g., advertisements in political ad books, dinner/dance tickets, etc.

Finally, we request advice as to whether the Bank has or will be reimbursed for these expenditures.

We await your report on this matter. Should you have any questions, please do not hesitate to contact this Office.

Very truly yours,



John P. Sherry
Regional Counsel

ROBERT W. MILLS
PRESIDENT

312-870-3500

December 14, 1978

Mr. John P. Sherry, Regional Counsel
Comptroller of the Currency
Seventh National Bank Region
233 South Wacker Drive, Suite 5750
Chicago, Illinois 60606

Re: Your letter of December 6, 1978
"type four" contributions

The Board of Directors has reviewed the referenced letter and Article 2 U.S.C. 441b(a). We regret our misinterpretation of the intent of this paragraph as evidenced by our actions for the years 1976, 1977 and 1978 which you have brought to our attention. Obviously, these expenses were as a result of solicitations from the various organizations who were also unaware that this type of expense might be construed to be in violation of regulations.

It is, of course, our opinion that we were purchasing advertising or in reality paying for a meal which was served and not making political donations as interpreted.

Accordingly, First Arlington National Bank will refrain from further expenditures for the benefit of political candidates of this nature. We have reviewed the Bank expense for the years 1976, 1977 and 1978 and enclose a list of expenditures of this nature. The report attached includes the name of recipient, dates, amounts where indicated, and the purpose.

Due to the long standing misinterpretation of this regulation and the fact that the expenditures are of a rather minor nature and the fact that some of the people responsible for authorizing these expenditures are no longer employed by this Bank, we will not seek reimbursement on any item.

If additional information is required please do not hesitate to contact me.

Sincerely,



Robert W. Mills
President

99040134439

d / Dinner	2/13/76	Ck# 10487	Wheeling Township Regular Democratic Organization	\$25.00
page ad	9/9/76 ³	Ck# 12188	Republic Committeemen Annual Directory	\$50.00
d Book	2/8/77 ⁴	Ck# 118762	Wheeling Township Regular Democratic Organization	\$50.00
page ad	2/13/78 ¹	Ck# 20027	Wheeling Township Regular Democratic Organization	\$50.00
Dinners	10/16/78 ¹	Am. Express Money Order	Wheeling Township Republican Club	\$59.50
page ad	10/14/78 ²	Ck# 21823	Wheeling Township Republican Organization	\$35.00
Full page ad	9/8/76 ²	Ck# 12187	Wheeling Township Republican Organization	\$120.00
Dinners	3/30/77 ⁵	Ck# 13886	Wheeling Township Republican Organization	\$200.00
Full page ad	8/12/77 ⁶	Ck# 15045	Wheeling Township Republican Organization	\$160.00

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FIRST ARLINGTON NATIONAL BANK

DOWNTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS

No. 10487

February 9, 1976

FANB 325 AND 000000

\$ 25.00

PAY TO THE ORDER OF

Wheeling Township Regular Democratic
Organization
1840 North Chestnut Avenue
Arlington Heights, Illinois

DIFFERENCE	
Donation - Annual Dinner	
Dance Ad Book	\$25.00

[Signature]

⑆010487⑆ ⑆0711⑆ 2148⑆

⑆0000002500⑆

9040134441

EXPENSE CHECK



FIRST ARLINGTON NATIONAL BANK

DOWNTOWN ARLINGTON HEIGHTS, ILLINOIS 60006

No. 118762

70-2149
719

FEB 8 77

PAY TO THE ORDER OF Wheeling Township Popular Dance Organization * * * * \$ 50.00

F. A. B. N. 500000

First Arlington National Bank

CASHIER'S CHECK

⑈ 118762⑈ ⑆ 0719⑈ 2148⑈ ⑆ 777⑈ 777⑈ 4⑈

AUTHORIZED SIGNATURE
⑈0000005000⑈

9040134443



First American
NATIONAL BANK
IN CHICAGO AND ALL MAJOR CITIES

20027

702148
710

January 13 1978

E.A.N.B. CHICAGO ILLINOIS \$ 50.00

PAY TO THE ORDER OF

Wheeling Township Regular Democratic Org.
1840 N. Chestnut Ave.
Arlington Heights, Illinois 60004

ACCOUNT NO.	REFERENCE	AMOUNT
40600	Annual Dinner Dance March	50.00
028	3-7-78	

[Signature]
7778
7778

⑆020027⑆ ⑆0719⑆ 2148⑆

AUTHORIZED SIGNATURE
⑆0000005000⑆

29040134444

EXPENSE CHECK



COUNTY OF ARLINGTON
ARLINGTON HEIGHTS, ILLINOIS 60004

No. 12187

10-7143
719

September 8, 19 76

PAY TO THE ORDER OF
151 ARLINGTON NATIONAL BANK **120 AND 00/100** \$ 120.00

Wheeling Township Republican Organization
1314 West Northwest Highway
Arlington Heights, Illinois 60004

POSTMASTER
RETURN TO
ARLINGTON NATIONAL BANK
151 ARLINGTON NATIONAL BANK
ARLINGTON HEIGHTS, ILLINOIS 60004

REFERENCE	
Re: Donation to organization	
Full pr. ad	\$120.00

[Handwritten Signature]

AUTHORIZED SIGNATURE

⑆012187⑆ ⑆0719-2⑆ 12000012000⑆

79040134446

FIRST ARLINGTON BANK

DOWNTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS 60004

No. 13886

70-2148
710

040777

March 30 19 77

FANB 000000 AMB 000000 S 200.00

PAY TO THE ORDER OF

10/18/76	Dinner	\$200.00
----------	--------	----------

Wheeling Township Republican Organization
1314 West Northwest Highway
Arlington Heights, Illinois 60004

[Signature]
AUTHORIZED SIGNATURE

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79040134447

FIRST ARLINGTON NATIONAL BANK

DOWNTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS

No. 15045

EXPENSE CHECK

August 12 1977

FANBANK ICG AND OBJECTS

\$ 160.00

PAY TO THE ORDER OF

70100412	RE: 1977 - 1978 Yearbook	160.00
----------	--------------------------	--------

Wheeling Township Republican Organization
311 North Patton Avenue
Arlington Heights, Ill. 60005

Robert M. Miller

015045 0719-2148 779-0* 0000016000*

9040134448



Comptroller of the Currency
Administrator of National Banks

Washington, D. C. 20219

February 2, 1979

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

500748

Dear Mr. Oldaker:

The Comptroller's Regional Office in Chicago recently discovered information in the records of the State Board of Elections of Illinois indicating a possible violation of 2 U.S.C. 441b by the First Arlington National Bank, Arlington Heights, Illinois. The alleged facts are as follows:

Since January 1, 1979, the bank has made several contributions for the benefit of both the Wheeling Township Republican Organization and the Wheeling Township Democratic Organization. Specifically, nine such contributions have been made, in the total amount of \$749.50, consisting of items such as the purchase of tickets to political dinner/dances and similar politically sponsored activities or the purchase of advertisements in political ad books. The Comptroller's Chicago Office has noted that the Board of Directors is not planning to seek reimbursement for the bank of any of these expenses in light of their minor nature. Incidentally, it is the Board's opinion that they were really purchasing advertising or paying for a meal, and were not making political donations as interpreted. In any event, the First Arlington National Bank has agreed to refrain from further expenditures of this type for the benefit of political candidates.

In light of the Federal Election Commission's jurisdiction over potential violations of 2 U.S.C. 441b, we believe that this information should be referred to you for your independent investigation and review. If we can be of any further assistance or can provide any information, please contact Mr. Wayne C. Vennard, Jr., of our Enforcement and Compliance Division at 447-1987.

Sincerely,

Paul M. Homan
Deputy Comptroller for Bank Supervision

Attachments

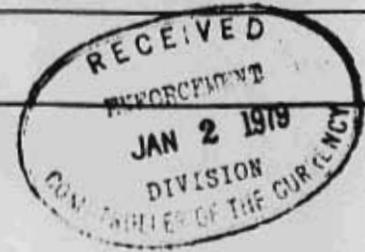
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MEMORANDUM

Lochin

Comptroller of the Currency
Administrator of National Banks



Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606

To: Robert B. Serino, Director
Enforcement & Compliance Division

From: John P. Sherry, Regional Counsel

Date: December 27, 1978

Subject: First Arlington National Bank
Arlington Heights, Illinois

J.P. Sherry

79040134450

I. Summary

Recently, we were informed that referenced bank had made several disbursements for the benefit of the Wheeling Township Republican Organization, in possible violation of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. §413, et seq.). Upon further inquiry, the bank has acknowledged making the following contributions:

	<u>Recipients</u>	<u>Date</u>	<u>Amount</u>
1.	Wheeling Twp. Regular Democratic Organization	2/13/76	\$ 25.00
2.	Wheeling Twp. Republican Organization	9/8/76	120.00
3.	Republican Committeemen Annual Director	9/9/76	50.00
4.	Wheeling Twp. Regular Democratic Organization	2/8/77	50.00
5.	Wheeling Twp. Republican Organization	3/30/77	200.00
6.	" " " " " " " "	8/12/77	160.00
7.	Wheeling Twp. Regular Democratic Organization	2/13/78	50.00
8.	Wheeling Twp. Republican Organization	10/14/78	35.00
9.	Wheeling Twp. Republican Club	10/16/78	59.50

II. Evidence

For your reference, we are enclosing a copy of our letter dated December 6, 1978, advising the bank of the allegations we received. Further, we enclose the response from the bank, acknowledging a total of nine contributions since January 1, 1976, together with copies of the expense checks for each donation and a summarization of all of the expenditures. In reviewing the summarization sheet, we note that the funds were extended for the purchase of either tickets to politically sponsored events or advertisements in political ad books. We also note that the Board is not planning to reimburse the bank for these expenses.

III. Analysis

It appears these payments to the organizations listed above constitute "contributions" as defined in the Act. See 2 U.S.C. §431(e). Accordingly, the Bank has possibly violated the provisions of Section 441b(a), prohibiting contributions by national banks to political candidates and organizations.

We refer these matters to your attention for the action you deem appropriate.

Enclosures

19940134451



Comptroller of the Currency
Administrator of National Banks

Seventh National Bank Region
Sears Tower, Suite 5750
233 South Wacker Drive
Chicago, Illinois 60606
312-353-0300

December 6, 1978

Board of Directors
First Arlington National Bank
1 North Dunton Street - Box 247
Arlington Heights, Illinois 60006

Dear Ms. Brehm and Gentlemen:

Recently, we became aware that the records of the State Board of Elections reportedly indicate that the First Arlington National Bank ("Bank") has made "type four" contributions to a political candidate or organization. These contributions generally consist of items such as the purchase of advertisements in political ad books or the purchase of tickets to political dinner/dances or similar activities. Specifically, we are advised the Bank contributed the following amounts for the benefit of the Wheeling Township Republican Organization:

August 25, 1977	\$160.00
April 4, 1977	\$200.00
September 10, 1976	\$120.00

We would like to take this opportunity to discuss such expense items in light of the Federal Election Campaign Act of 1971, as amended (hereinafter the "Act"), 2 U.S.C. §431, et seq.

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December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Two

You should be aware that the Act, 2 U.S.C. §441b(a), prohibits national banks from making any "contribution or expenditure" to any political candidate or organization. As stated in Section 441b:

"... the term 'contribution or expenditure' shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services, or anything of value ... to any candidate, campaign committee, or political party or organization in connection with any election"

Accordingly, the issue raised by the above described action of the Bank is whether such an expense item constitutes a contribution or expenditure in connection with an election. It is our opinion, an opinion shared by the Federal Election Commission, that the purchase of dinner/dance tickets to a political event or the purchase of an advertisement in a political ad book constitutes an expenditure prohibited by the Act.

Under the Act and Regulations promulgated by the Federal Election Commission pursuant to its authority under the Act (11 C.F.R. §100.1, et seq.), advertisements purchased in publications sponsored by a candidate or political committee are not excepted from the definition of "expenditure." Similarly, the purchase of tickets to politically sponsored events enjoy no such exemption. Further, while one might question whether such expenditures are "in connection with the election to any political office", we point out that the prime purpose of a political committee is to influence the nomination or election of that party's candidates. All monies received by the committee, including those received from ad books and dinner/dances, either directly or indirectly further that purpose.

9040134453

December 6, 1978

Board of Directors
First Arlington National Bank
Arlington Heights, Illinois

Page Three

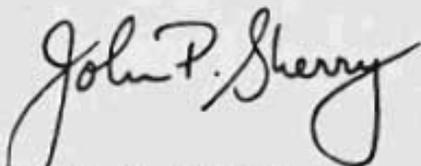
In view of the foregoing, we request that the Bank refrain from any future expenditures for the benefit of political committees or candidates. Further, we ask you to initiate a review of the Bank's expenses for the years 1976, 1977 and 1978, and to advise us of any expenditures made to any political candidates or committees. Your report on these expenditures should include the following:

1. the names of the recipients of the expenditures;
2. the dates on which the expenditures were made;
3. the amount of each expenditure, including a copy of the appropriate expense check;
4. the purpose of such expenditures, e.g., advertisements in political ad books, dinner/dance tickets, etc.

Finally, we request advice as to whether the Bank has or will be reimbursed for these expenditures.

We await your report on this matter. Should you have any questions, please do not hesitate to contact this Office.

Very truly yours,



John P. Sherry
Regional Counsel

134454

ROBERT W. MILLS
PRESIDENT

312-870-3800

December 14, 1978

Mr. John P. Sherry, Regional Counsel
Comptroller of the Currency
Seventh National Bank Region
233 South Wacker Drive, Suite 5750
Chicago, Illinois 60606

Re: Your letter of December 6, 1978
"type four" contributions

The Board of Directors has reviewed the referenced letter and Article 2 U.S.C. 441b(a). We regret our misinterpretation of the intent of this paragraph as evidenced by our actions for the years 1976, 1977 and 1978 which you have brought to our attention. Obviously, these expenses were as a result of solicitations from the various organizations who were also unaware that this type of expense might be construed to be in violation of regulations.

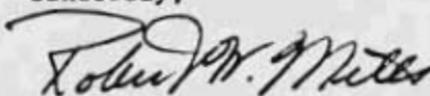
It is, of course, our opinion that we were purchasing advertising or in reality paying for a meal which was served and not making political donations as interpreted.

Accordingly, First Arlington National Bank will refrain from further expenditures for the benefit of political candidates of this nature. We have reviewed the Bank expense for the years 1976, 1977 and 1978 and enclose a list of expenditures of this nature. The report attached includes the name of recipient, dates, amounts where indicated, and the purpose.

Due to the long standing misinterpretation of this regulation and the fact that the expenditures are of a rather minor nature and the fact that some of the people responsible for authorizing these expenditures are no longer employed by this Bank, we will not seek reimbursement on any item.

If additional information is required please do not hesitate to contact me.

Sincerely,



Robert W. Mills
President

79040134455

Ad / Dinner	2/13/76 ¹	Ck# 10487	Wheeling Township Regular Democratic Organization	\$25.00
1/2 page ad	9/9/76 ³	Ck# 12188	Republic Committeemen Annual Directory	\$50.00
Ad Book	2/8/77 ⁴	Ck# 118762	Wheeling Township Regular Democratic Organization	\$50.00
1/2 page ad	2/13/78 ⁴	Ck# 20027	Wheeling Township Regular Democratic Organization	\$50.00
Dinners	10/16/78 ¹	Am. Express Money Order	Wheeling Township Republican Club	\$59.50
1/4 page ad	10/14/78 ⁵	Ck# 21823	Wheeling Township Republican Organization	\$35.00
Full page ad	9/8/76 ²	Ck# 12187	Wheeling Township Republican Organization	\$120.00
Dinners	3/30/77 ⁵	Ck# 13886	Wheeling Township Republican Organization	\$200.00
Full page ad	8/12/77 ⁶	Ck# 15045	Wheeling Township Republican Organization	\$160.00

9 5 4 7 2 1 0 7 0 6 7

FIRST ARLINGTON NATIONAL BANK

DOWNTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS

No. 10487

FEBRUARY 2, 1976

FANBE:325 AND 00 CTS \$ 25.00

PAY TO THE ORDER OF

Wheeling Township Regular Democratic
Organization
1840 North Chestnut Avenue
Arlington Heights, Illinois

REFERENCE	
Donation - Annual Dinner	
Dance Ad Book	\$25.00

[Signature]
AUTHORIZED

⑈010487⑈ ⑆0711-2148⑆ ⑆777-2779⑆ ⑆0000002500⑆

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79040134457



FIRST ARLINGTON NATIONAL BANK

DOWNTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS 60008

No. 12188

10/21/8
719

September 8, 1976

151 ARLINGTON NATIONAL BANK **500.00** DCTS

\$ 50.00

PAY TO THE ORDER OF

DATE	DESCRIPTION	AMOUNT
9/8	Re: Donation - 1/2 pg. ed in directory	\$50.00

Republican Committeeman's Annual Directory
105 South Main Street
Mt. Prospect, Illinois 60056

[Handwritten Signature]

⑈012188⑈ ⑆0719⑈ 2⑈ ⑆777⑈ 779⑈ 0⑈ ⑆0000005000⑈

EXPENSE CHECK

79040134458



FIRST ARLINGTON NATIONAL BANK

DOWNTOWN
ARLINGTON HEIGHTS, ILLINOIS 60009

No. 118762

70-2149
719

FEB 8 77

PAY TO THE ORDER OF Wheeling Township Regular Democratic Organization * * * * \$ 50.00

FIFTY DOLLARS

First Arlington National Bank

CASHIER'S CHECK

⑈118762⑈ ⑆0719-2148⑆ ⑆77-4⑆

⑈0000005000⑈

79040134459



First Arlington
NATIONAL BANK

ONE NORTH LAUREL AVENUE, ARLINGTON HEIGHTS, ILLINOIS 60004

20027

70-2148
710

February 13 1978

E.A.N.B. #1301100015 \$ 50.00

PAY TO THE ORDER OF

Wheeling Township Regular Democratic Org.
1840 N. Chestnut Ave.
Arlington Heights, Illinois 60004

ACCOUNT NO.	REFERENCE	AMOUNT
40600	Annual Dinner Dance March	50.00
0	3-1978	

[Signature]
7772

⑆020027⑆ ⑆0719⑆ 2148⑆

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FIRST ARLINGTON NATIONAL BANK

DOWNTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS 60004

No. 12187

10-7148
719

September 8, 19 76

PAY TO THE ORDER OF
FIRST ARLINGTON NATIONAL BANK **3120 AND 0000**

\$ 120.00

Wheeling Township Republican Organization
1314 West Northwest Highway
Arlington Heights, Illinois 60004

REFERENCE		AMOUNT
Re: Donation to organization		
Full pg. ad		\$120.00

[Handwritten Signature]
AUTHORIZED SIGNATURE

⑆012187⑆ ⑆0719-2⑆ ⑆000012000⑆

79040134462

EXPERIENCE

FIRST ARLINGTON NATIONAL BANK

DOWNTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS 60004

No. 13886

28-2144
710

March 30 19 77

FANB 0000 AND 0000 \$ 200.00

PAY TO THE ORDER OF

10/18/76	Dinner	\$200.00
----------	--------	----------

Wheeling Township Republican Organisation
1314 West Northwest Highway
Arlington Heights, Illinois 60004

[Signature]
AUTHORIZED SIGNATURE

⑆013886⑆ ⑆0719-2148⑆ 777-749-0⑆ ⑆0000020000⑆
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9040134463

FIRST ARLINGTON NATIONAL BANK

DOWNTOWN PLAZA
ARLINGTON HEIGHTS, ILLINOIS

No. 15045

19-148
710

August 12 1977

FANBIBLIOGRAPHICS

\$ 160.00

PAY
TO THE ORDER OF

Wheeling Township Republican Organization
311 North Patton Avenue
Arlington Heights, Ill. 60005

CD 700-15 RE: 1977 - 1978 Yearbook 160.00

Robert M. Miller
AUTHORIZED SIGNATURE

⑈015045⑈ ⑈0719-2148⑈ ⑈779-0⑈ ⑈0000016000⑈

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