

FEDERAL ELECTION COMMISSION

Original referral

Memorandums 4/25/79, 7/13/79, 5/17/79

Letters - 7/6/79 - 7/27/79

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

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

Signed

Justin Helford

date

10-9-79

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904431

600
11300

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 805, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

RECEIVED
FEDERAL ELECTION
COMMISSION

AREA CODE 205
TELEPHONE 251-6000

EDWARD A. GROENENDYKE, JR.
& STEPHEN SALTER

October 5, 1979

'79 OCT 9 AM 9:28

Treadwell

Hon. William C. Oldaker
General Counsel
Federal Election Commission
Washington, D. C. 20463

Re: MUR 970

Dear Mr. Oldaker:

We have remained in trial since September 7, 1979, as I previously advised you. We are now beginning our fourth week of trial beginning Monday, October 8, 1979, notwithstanding that it is a Federal holiday.

My client has been completely consumed with the present trial committment as I have. Obviously, this has impaired his financial circumstances and his ability to make progress in finalizing the settlement herein. We expect to complete the trial by the middle of this week and I will then make a specific proposal to you or include payment in full in my next letter.

Please know that we appreciate your continued cooperation in this area of mutual concern.

With kindest personal regards,

GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc
cc: James H. Dennis, Sr.

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12:21 8 100 61

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

ROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 900, TITLE BUILDING
2020 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

FEDERAL ELECTION
COMMISSION



79 OCT 9 AM 9:27

Hon. William C. Oldaker
General Counsel
Federal Election Commission
Washington, D. C. 20463

85



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 25, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Stephen Salter
Groenendyke and Salter
Suite 500, Title Building
2030 3rd Avenue
Birmingham, Alabama 35203

RE: MUR 970

Dear Mr. Salter:

Thank you for your letter of September 12, 1979 in which you express your client's concern in satisfying the terms of the conciliation agreement entered into by Mr. Dennis and the Commission. According to the terms of that agreement, Mr. Dennis is to pay a civil penalty in the amount of \$18,000 by October 6, 1979.

You indicated in your letter that Mr. Dennis might not be able to meet the October 6 deadline for payment. I cannot say whether the Commission will agree to any modification of the agreement. Such a procedure would be highly unusual. I urge your client, therefore, to satisfy the terms of the agreement. If this is not possible, I suggest that you give us a specific proposal for modification of the agreement which we can submit to the Commission for its consideration.

My staff can meet with you to discuss this further if you wish. Please contact either Judy Thedford (202-523-4529) or Hal Ponder (523-4166).

Sincerely,

William C. Oldaker
General Counsel

79040160791

ACC 11011

9-4100

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
FEDERAL ELECTION COMMISSION

SUITE 200, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

AREA CODE 205
TELEPHONE 261-6666

RICHARD A. GROENENDYKE, JR.
& STEPHEN SALTER

79 SEP 14 PM 12:29

September 12, 1979

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

Re: MUR 970

Dear Mr. Oldaker:

I appreciate your letter of September 7, 1979, and its enclosures. Obviously, we are in agreement and appreciate the Commission's decision regarding the proposed Conciliation Agreement. As I indicated to you earlier, we are involved in substantial litigation in the Northern District of Alabama. Initially, the Government's Indictment regarding unrelated matters was cast in ten counts. For a variety of reasons, the Government's Indictment was segregated into three trials. I have been involved in the trial of the first part of these cases beginning on Friday, September 7, 1979, which has just concluded on Tuesday, September 11, 1979. We are now due to begin trial of the major and most substantial part of the case beginning on September 17, 1979, and anticipate the trial of this case will last approximately ten to fifteen trial days (approximately two to three weeks).

I bring these matters to your attention with a request for your continued patience and cooperation in this area of mutual concern. As you know, this office is a partnership consisting of myself and Mr. Richard Groenendyke and at the present time we are rather inundated with various matters facing this office including the above trial commitments.

As we previously indicated, the Government's actions in these matters consumes the bulk of both mine and my client's time and energies, let alone his resources. We anticipate being able to retire the entire penalty agreed upon, but I must respectfully ask a little additional time to resolve this matter.

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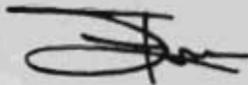
Hon. William C. Oldaker
September 12, 1979
Page Two

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It is my intention to identify my client's available assets for anticipated closure in this matter as soon as possible. I must admit that in view of the continuous trial commitments which necessarily impede his financial affairs, that we might need to ask additional consideration on behalf of the Commission with regard to the payment. I would prefer that James and I travel to Washington and meet with you in the near future to discuss these areas of mutual concern with a view towards satisfying the generous disposition of this matter by the Commission. Again, it may well be that we can retire the entire penalty in the immediate future. Unfortunately, it might also be that I might request a substantial "down payment" and terms agreeable to all parties. I must say that I am not at liberty at this moment to commit to the proposed thirty (30) day payment time frame although I am not stating that same cannot be consummated.

I intend to confer with my client in the next few days with a view towards bringing to your attention our best potential efforts in this regard. If you feel that these matters will be totally unacceptable to the Commission, I would appreciate your notifying me immediately. We are interested in resolving this matter to the mutual satisfaction of all affected interests and I do not wish to jeopardize in any way our present agreement. I look forward to hearing from you soon in this area of mutual concern.

Highest personal regards,
GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc
cc: James H. Dennis, Sr.

79040160784
GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 800, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203



79 SEP 14 PM 12:29

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

RECEIVED
FEDERAL ELECTION
COMMISSION



FEDERAL ELECTION COMMISSION

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

September 7, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Stephen Salter
Groenendyke and Salter
Suite 500, Title Building
2030 3rd Avenue, North
Birmingham, AL 35203

RE: MUR 970

Dear Mr. Salter:

On September 6, 1979, the Commission voted to accept the conciliation agreement signed by Mr. Dennis and submitted to the Commission on August 20, 1979. A copy of the agreement signed by the Mr. Dennis and the Commission's General Counsel is enclosed.

The \$18,000 civil penalty should be submitted to the Commission within 30 days and the check made payable to the U.S. Treasurer.

Accordingly, and upon my recommendation, the Commission has closed the file in this matter.

If you have any questions, please contact Judy Thedford at 202-523-4529.

Sincerely,

William C. Oldaker
General Counsel

Enclosure:
Conciliation Agreement



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Stephen Salter
Groenendyke and Salter
Suite 500, Title Building
2030 3rd Avenue, North
Birmingham, AL 35203

RE: MUR 970

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Accordingly, and upon my recommendation, the Commission has closed the file in this matter.

If you have any questions, please contact Judy Thedford at 202-523-4529.

Sincerely,

William C. Oldaker
General Counsel

Enclosure:
Conciliation Agreement

Jt
9-6-79

Richard Morehart	\$ 1,000.00	9/11/78
Herman Mulvehill	1,000.00	9/11/78
Gary Dennis	1,000.00	9/11/78
Venice Owens	1,000.00	9/11/78
Charles Phillips	1,000.00	9/11/78
Nancy Moore	1,000.00	9/11/78
Wayne Moore	1,000.00	9/11/78
Helen Root	1,000.00	9/11/78
Melissa Dennis	1,000.00	9/11/78
Joel Martin	1,000.00	9/18/78
Joan Martin	1,000.00	9/18/78
Johnny Desmond	1,000.00	12/15/78
Jeff Kennedy	1,000.00	12/15/78
Joel Martin	1,000.00	12/15/78
John Thornton	1,000.00	12/15/78
Melissa Dennis	1,000.00	2/2/78
Melissa Dennis	1,000.00	2/2/78
John Lee	1,000.00	7/19/78
W. D. Root	1,000.00	7/25/78
Roberta Gurley	1,000.00	8/17/78
Rhonda Dennis	1,000.00	8/17/78
Terri Shadix	1,000.00	8/17/78

B. Respondent was refunded \$22,000 from the Friends of Donald Stewart on May 11, 1979.

C. Respondent made contributions totalling \$13,000 to the 1978 Peck congressional campaign committee, Carey Peck for Congress Committee of which \$12,000 was made in the name of other as follows:

Roy J. Ledbetter	\$ 1,000.00	11/9/78
Charles Mike Chancey	1,000.00	11/9/78
Gary M. Dennis	1,000.00	11/9/78
Terry Henley	1,000.00	11/25/78
Janice Chancey	1,000.00	11/25/78
Richard Morehart	1,000.00	11/25/78
Mike Henley	1,000.00	11/25/78
Robbie Chancey	1,000.00	11/25/78
Andy Shadix	1,000.00	10/30/78
Johnny Desmond	1,000.00	11/8/78
Max Gurley	1,000.00	11/8/78
Wayne Moore	1,000.00	11/8/78

D. Respondent utilized corporate funds from Dennis Mining Supply and Equipment Co., Inc. to make all contributions to the 1978 federal campaigns of Senator Stewart and Carey Peck.

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E. Respondent made contributions aggregating \$36,150 for the 1978 calendar year.

WHEREFORE, the Federal Election Commission and respondent James H. Dennis, Sr. agree:

- I. Respondent violated 2 U.S.C. §441f by making contributions in the name of twenty-two (22) others to the Friends of Donald Stewart, and in the names of twelve (12) others to the Carey Peck For Congress Committee.
- II. Respondent violated 2 U.S.C. §441a(a)(1)(A) by making contributions in excess of \$1,000 per election to the 1978 campaigns of Senator Stewart and Carey Peck.
- III. Respondent violated 2 U.S.C. §441a(a)(3) by making contributions to federal elections aggregating in excess of \$25,000 for the 1978 calendar year.
- IV. Respondent violated 2 U.S.C. §441b by utilizing corporate funds to make the contributions to the 1978 federal campaigns of Donald Stewart and Carey Peck.
- V. Respondent agrees that he will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et seq.
- VI. Respondent will pay a civil penalty in the amount of \$18,000 pursuant to 2 U.S.C. §437g(a)(6)(B).

79040150789

GENERAL CONDITIONS:

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

II. It is mutually agreed that this Agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire Agreement.

III. It is agreed that respondent shall have thirty (30) days from the date of this Agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

IV. This agreement is entered into in accordance with 2 U.S.C. §437g(a) (5) (A). Except as provided in paragraph I hereof, this agreement shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

79040150790

FEDERAL ELECTION COMMISSION

9/6/79
Date

William C. Oldaker
William C. Oldaker
General Counsel
James H. Dennis, Sr.
James H. Dennis, Sr.

Date

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
James H. Dennis, Sr.)

MUR 970

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on September 6, 1979, the Commission adopted by a vote of 5-0 the recommendation, as set forth in the General Counsel's Memorandum dated August 31, 1979, to approve the agreement as settlement of in the above-captioned matter which was attached to the above-named memorandum.

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

Attest:

7 9 0 4 0 1 6 0 7 9 1
9/6/79
Date

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

Received in Office of Commission Secretary: 8-31-79, 3:01, Friday
Circulated on 48 hour vote basis: 9- 4-79, 11:00, Tuesday

August 31, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SBBJECT: MUR 970

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

Than kyou.

7 9 7 1 0 1 5 0 7 9 2



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 AUG 31 P 3: 01

August 31, 1979

MEMORANDUM TO: The Commission

FROM: William C. Oldaker
General Counsel *WCO*

SUBJECT: MUR 970

Attached for the Commission's approval is a conciliation agreement signed by the respondent, James H. Dennis, Sr., and offered as settlement of this matter. (Attachment 1) The agreement counterproposes a civil penalty of \$18,000 in lieu of \$36,000 originally proposed by the Commission. No other modifications were made to the agreement.

It should be noted that Mr. Dennis was refunded \$12,000 from the Carey Peck for Congress Committee approximately one and one half months ago for the contributions he made to the Committee in violation of 2 U.S.C. § 441f. The General Counsel's Report dated August 9, 1979 recommended sending the Carey Peck for Congress Committee a letter requesting the refund as Mr. Salter, counsel for James H. Dennis, Sr., telephonically responded that the refund had not been made. However, in a follow-up letter dated August 8, 1979 (Attachment 2), Mr. Salter stated that "a full return" had been received.

It is recommended that the Commission approve the attached agreement as settlement of this matter.

Attachments

- 1- Counterproposal
- 2- August 8, 1979 Letter

79040150793

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GCC#
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GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 800, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

AREA CODE 205
TELEPHONE 251-6666

August 20, 1979

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

Attention: Ms. Judy Thedford

Re: James H. Dennis, Sr.
(MUR-970)

Dear Mr. Oldaker:

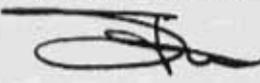
Both Mr. Dennis and I were pleased to receive your letter of August 16, 1979, and its enclosure, the proposed Conciliation Agreement. I have reviewed your letter and its contents with Mr. Dennis and I am enclosing herewith an executed original of the Conciliation Agreement as forwarded to me, with one exception.

Mr. Dennis hereby proposes a counter offer in regard to the amount of the proposed civil penalty in the sum of \$18,000.00. I would appreciate your bringing these matters to the attention of the Commission with a view towards their approving our counter offer. If this is agreeable, please return an executed copy of the proposed Conciliation Agreement.

Please know that Mr. Dennis and I both appreciate your cooperation in this area of mutual concern and I look forward to hearing from you in the near future.

Yours very truly,

GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc
Encl.
cc: James H. Dennis, Sr.

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ATTACHMENT I pg 1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter)
James H. Dennis, Sr.) MUR 970 (79)

CONCILIATION AGREEMENT

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This matter was initiated by the Federal Election Commission on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, and after investigation, the Commission found reasonable cause to believe that respondent James H. Dennis, Sr. (hereinafter respondent) violated 2 U.S.C. §§441a, 441b, and 441f.

NOW, THEREFORE, the Commission and respondent, having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the respondent and the subject matter of this case.
- II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. That the pertinent facts in this matter are as follows:
 - A. Respondent made contributions totalling \$23,150 to the 1978 Stewart senatorial campaign committee, Friends of Donald Stewart, of which \$22,000 was made in the names of others as follows:

ATTACHMENT I pg 2

Richard Morehart	\$ 1,000.00	9/11/78
Herman Mulvehill	1,000.00	9/11/78
Gary Dennis	1,000.00	9/11/78
Venice Owens	1,000.00	9/11/78
Charles Phillips	1,000.00	9/11/78
Nancy Moore	1,000.00	9/11/78
Wayne Moore	1,000.00	9/11/78
Helen Root	1,000.00	9/11/78
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John Lee	1,000.00	7/19/78
W. D. Root	1,000.00	7/25/78
Roberta Gurley	1,000.00	8/17/78
Rhonda Dennis	1,000.00	8/17/78
Terri Shadix	1,000.00	8/17/78

B. Respondent was refunded \$22,000 from the Friends of Donald Stewart on May 11, 1979.

C. Respondent made contributions totalling \$13,000 to the 1978 Peck congressional campaign committee, Carey Peck for Congress Committee of which \$12,000 was made in the name of other as follows:

Roy J. Ledbetter	\$ 1,000.00	11/9/78
Charles Mike Chancey	1,000.00	11/9/78
Gary M. Dennis	1,000.00	11/9/78
Terry Henley	1,000.00	11/25/78
Janice Chancey	1,000.00	11/25/78
Richard Morehart	1,000.00	11/25/78
Mike Henley	1,000.00	11/25/78
Robbie Chancey	1,000.00	11/25/78
Andy Shadix	1,000.00	10/30/79
Johnny Desmond	1,000.00	11/8/78
Max Gurley	1,000.00	11/8/78
Wayne Moore	1,000.00	11/3/78

D. Respondent utilized corporate funds from Dennis Mining Supply and Equipment Co., Inc. to make all contributions to the 1978 federal campaigns of Senator Stewart and Carey Peck.

ATTACHMENT I pg 3

79040160795

E. Respondent made contributions aggregating \$36,150 for the 1978 calendar year.

WHEREFORE, the Federal Election Commission and respondent James H. Dennis, Sr. agree:

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- II. Respondent violated 2 U.S.C. §441a(a)(1)(A) by making contributions in excess of \$1,000 per election to the 1978 campaigns of Senator Stewart and Carey Peck.
- III. Respondent violated 2 U.S.C. §441a(a)(3) by making contributions to federal elections aggregating in excess of \$25,000 for the 1978 calendar year.
- IV. Respondent violated 2 U.S.C. §441b by utilizing corporate funds to make the contributions to the 1978 federal campaigns of Donald Stewart and Carey Peck.
- V. Respondent agrees that he will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et seq.
- VI. Respondent will pay a civil penalty in the amount of \$18,000 pursuant to 2 U.S.C. §437g(a)(6)(B).

79040160797

ATTACHMENT I pg 4

GENERAL CONDITIONS:

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

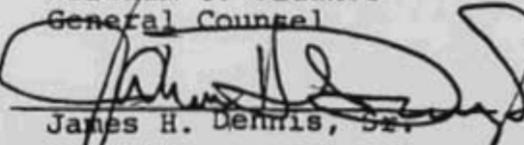
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III. It is agreed that respondent shall have thirty (30) days from the date of this Agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

IV. This agreement is entered into in accordance with 2 U.S.C. §437g(a)(5)(A). Except as provided in paragraph I hereof, this agreement shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

FEDERAL ELECTION COMMISSION

Date

William C. Oldaker
General Counsel

James H. Dennis, Sr.

Date

79040150799

ATTACHMENT 7-985

903829
GPO-4
10957

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 500, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

AREA CODE 205
TELEPHONE 321-6666

August 20, 1979

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

Attention: Ms. Judy Thedford

Re: James H. Dennis, Sr.
(MUR-970)

Dear Mr. Oldaker:

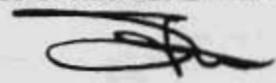
Both Mr. Dennis and I were pleased to receive your letter of August 16, 1979, and its enclosure, the proposed Conciliation Agreement. I have reviewed your letter and its contents with Mr. Dennis and I am enclosing herewith an executed original of the Conciliation Agreement as forwarded to me, with one exception.

Mr. Dennis hereby proposes a counter offer in regard to the amount of the proposed civil penalty in the sum of \$18,000.00. I would appreciate your bringing these matters to the attention of the Commission with a view towards their approving our counter offer. If this is agreeable, please return an executed copy of the proposed Conciliation Agreement.

Please know that Mr. Dennis and I both appreciate your cooperation in this area of mutual concern and I look forward to hearing from you in the near future.

Yours very truly,

GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc
Encl.
cc: James H. Dennis, Sr.

79040160799

7201016300

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 900, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203



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

ATTENTION: Ms. Judy Thedford

10865

MUR 992

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 900, TITLE BUILDING
2050 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

RECEIVED
FEDERAL ELECTION
COMMISSION

AREA CODE 205
TELEPHONE 381-6666

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

79 AUG 13 AM 9:43

August 8, 1979

Hon. William Clyde Oldaker
General Counsel
Federal Election Committee
1325 K Street N.W., 7th Floor
Washington, D. C. 20463

Attention: Ms. Judy Thedford

908568

Re: James H. Dennis, Sr.

Dear Mr. Oldaker:

I apologize for the delay in responding to Ms. Thedford's telephonic request of August 3, 1979, in the above styled matter. The following is intended as Mr. Dennis' further clarification of certain matters:

1. All contributions made to the Cary Peck campaign were made by Mr. Dennis without the knowledge of any other persons in whose names the contributions were made. That is to say, none of the Peck campaign contributions made by Mr. Dennis were "loans" to the individuals in whose names contributions were submitted.

2. Mr. Dennis has previously notified the Peck Campaign regarding these matters and approximately one and one-half months ago received a full return of those contributions.

3. Regarding the two \$1,000.00 contributions made to the campaign of Senator Donald Stewart in the names of Andy Shadix and Max Gurley, which have previously been identified as "loans" to those individuals by Mr. Dennis, Mr. Shadix has paid back a portion of his loan and no payments have been made by Mr. Gurley. As you are aware, Mr. Dennis had undergone substantial financial reversals which have materially affected his business and necessarily his ability to compensate his employees, Mr. Shadix and Mr. Gurley. Mr. Gurley was to re-pay his loan by deductions from his salary. Due to the above financial circumstances, his compensation has not been substantial enough to justify or permit the contemplated deductions. Matters seem to be improving and it is expected that Mr. Dennis will recover from these financial reversals in the near future permitting additional compensation and/or bonuses to both Mr. Gurley and Mr. Shadix as well as other employees. At that time,

79010160801

ATTACHMENT 2 pg 1

Hon. William Clyde Oldaker
August 8, 1979
Page Two

Mr. Dennis intends to secure full repayment of the above loans.

I trust this answers your recent inquiries. I understand from Ms. Thedford that with the receipt of this information, and having previously received the response from Senator Stewart's office, that you will have all necessary factual information before you to make your decision. We are now, as we have always been, most anxious to gain closure on this matter. We are hopeful that a proposed Conciliation Agreement can be tendered to us by the end of next week with a view towards consummating same forthwith. I anticipate being in a Federal criminal trial the first few days of next week but we are planning to travel to Washington to meet and resolve these matters immediately upon notification from your office.

I look forward to hearing from you soon in this area of mutual concern.

Yours very truly,

GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc
cc: James H. Dennis, Sr.

77010130802

ATTACHMENT 2 pg 2



FEDERAL ELECTION COMMISSION

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

August 16, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Stephen Salter
Groenendyke and Salter
Suite 500, Title Building
2030 3rd Avenue North
Birmingham, AL 35203

RE: MUR 970

Dear Mr. Salter:

On August 14, 1979, the Commission found reasonable cause to believe that your client, James H. Dennis, Sr., committed violations of 2 U.S.C. §441a and §441f; no reasonable cause to believe that Mr. Dennis violated 2 U.S.C. §441g and 11 C.F.R. §110.4(c)(1); and reason to believe and reasonable cause to believe that Mr. Dennis violated 2 U.S.C. §441b.

Specifically, the Commission found reasonable cause to believe that:

- 1) Mr. Dennis by making contributions totalling \$22,000 in the names of other individuals to the 1978 Stewart-senatorial campaign; and contributions totalling \$12,000 in the names of other individuals to the 1978 Peck congressional campaign violated 2 U.S.C. §441a and §441f;
- 2) Mr. Dennis by making contributions aggregating more than \$25,000 in a calendar year violated 2 U.S.C. §441a(a)(3); and
- 3) Mr. Dennis violated 2 U.S.C. §441b for utilizing corporate funds of Dennis Mining Supply and Equipment Co., Inc. to make all contributions to federal candidates, Stewart and Peck.



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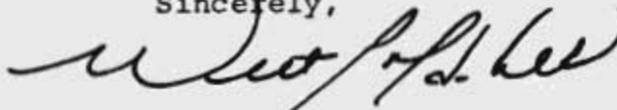
Mr. J. Stephen Salter
Page 2

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g(a)(5)(A). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in United States District Court and seek payment of a civil penalty.

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

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Judy Thedford at 202/523-4529.

Sincerely,



William C. Oldaker
General Counsel

Enclosure

Conc

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 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>Mr. J. Stephen Salter</i>	
3. ARTICLE DESCRIPTION: REGISTERED NO. <i>942533</i>	INSURED NO.
(Always obtain signature of addressee or agent)	
I have received this article described above: SIGNATURE <i>W. C. Oldaker</i> Authorized agent DATE OF DELIVERY <i>8/20/79</i>	
5. ADDRESS (Complete only if requested)	
6. UNABLE TO DELIVER BECAUSE	
CLERK'S INITIALS	

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

POSTMARK: BIRMINGHAM ALA 20 1979

MX 970 *Salter*

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter)
James H. Dennis, Sr.) MUR 970 (79)

CONCILIATION AGREEMENT

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This matter was initiated by the Federal Election Commission on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, and after investigation, the Commission found reasonable cause to believe that respondent James H. Dennis, Sr. (hereinafter respondent) violated 2 U.S.C. §§441a, 441b, and 441f.

NOW, THEREFORE, the Commission and respondent, having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the respondent and the subject matter of this case.
- II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. That the pertinent facts in this matter are as follows:
 - A. Respondent made contributions totalling \$23,150 to the 1978 Stewart senatorial campaign committee, Friends of Donald Stewart, of which \$22,000 was made in the names of others as follows:

Richard Morehart	\$ 1,000.00	9/11/78
Herman Mulvehill	1,000.00	9/11/78
Gary Dennis	1,000.00	9/11/78
Venice Owens	1,000.00	9/11/78
Charles Phillips	1,000.00	9/11/78
Nancy Moore	1,000.00	9/11/78
Wayne Moore	1,000.00	9/11/78
Helen Root	1,000.00	9/11/78
Melissa Dennis	1,000.00	9/11/78
Joel Martin	1,000.00	9/18/78
Joan Martin	1,000.00	9/18/78
Johnny Desmond	1,000.00	12/15/78
Jeff Kennedy	1,000.00	12/15/78
Joel Martin	1,000.00	12/15/78
John Thornton	1,000.00	12/15/78
Melissa Dennis	1,000.00	2/2/78
Melissa Dennis	1,000.00	2/2/78
John Lee	1,000.00	7/19/78
W. D. Root	1,000.00	7/25/78
Roberta Gurley	1,000.00	8/17/78
Rhonda Dennis	1,000.00	8/17/78
Terri Shadix	1,000.00	8/17/78

B. Respondent was refunded \$22,000 from the Friends of Donald Stewart on May 11, 1979.

C. Respondent made contributions totalling \$13,000 to the 1978 Peck congressional campaign committee, Carey Peck for Congress Committee of which \$12,000 was made in the name of other as follows:

Roy J. Ledbetter	\$ 1,000.00	11/9/78
Charles Mike Chancey	1,000.00	11/9/78
Gary M. Dennis	1,000.00	11/9/78
Terry Henley	1,000.00	11/25/78
Janice Chancey	1,000.00	11/25/78
Richard Morehart	1,000.00	11/25/78
Mike Henley	1,000.00	11/25/78
Robbie Chancey	1,000.00	11/25/78
Andy Shadix	1,000.00	10/30/79
Johnny Desmond	1,000.00	11/8/78
Max Gurley	1,000.00	11/8/78
Wayne Moore	1,000.00	11/3/78

D. Respondent utilized corporate funds from Dennis Mining Supply and Equipment Co., Inc. to make all contributions to the 1978 federal campaigns of Senator Stewart and Carey Peck.

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E. Respondent made contributions aggregating \$36,150 for the 1978 calendar year.

WHEREFORE, the Federal Election Commission and respondent James H. Dennis, Sr. agree:

- I. Respondent violated 2 U.S.C. §441f by making contributions in the name of twenty-two (22) others to the Friends of Donald Stewart, and in the names of twelve (12) others to the Carey Peck For Congress Committee.
- II. Respondent violated 2 U.S.C. §441a(a)(1)(A) by making contributions in excess of \$1,000 per election to the 1978 campaigns of Senator Stewart and Carey Peck.
- III. Respondent violated 2 U.S.C. §441a(a)(3) by making contributions to federal elections aggregating in excess of \$25,000 for the 1978 calendar year.
- IV. Respondent violated 2 U.S.C. §441b by utilizing corporate funds to make the contributions to the 1978 federal campaigns of Donald Stewart and Carey Peck.
- V. Respondent agrees that he will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et seq.
- VI. Respondent will pay a civil penalty in the amount of \$36,000 pursuant to 2 U.S.C. §437g(a)(6)(B).

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GENERAL CONDITIONS:

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

II. It is mutually agreed that this Agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire Agreement.

III. It is agreed that respondent shall have thirty (30) days from the date of this Agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

IV. This agreement is entered into in accordance with 2 U.S.C. §437g(a)(5)(A). Except as provided in paragraph I hereof, this agreement shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

FEDERAL ELECTION COMMISSION

79040150809

Date

William C. Oldaker
General Counsel

Date

James H. Dennis, Sr.



FEDERAL ELECTION COMMISSION

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

August 16, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John W. Vardaman, Jr.
Williams and Connolly
Hill Building
Washington, D.C. 20006

RE: MUR 970

Dear Mr. Vardaman:

On August 14, 1979, the Commission found no reasonable cause to believe that your client, Friends of Donald Stewart, violated 2 U.S.C. §434 (b) and 11 C.F.R. §110.4(c)(2). Specifically, the Commission determined that:

- 1) the plane loaned by Mr. Milton Turner to the committee was not for campaign related activity and not a reported receipt;
- 2) the plane loaned to the committee by George Rush was paid for by the committee and duly reported;
- 3) the red Lincoln Continental loaned by Mr. Dennis to Senator Stewart was for personal use and not a campaign receipt;
- 4) that the \$22,000 in contributions made in the name of another by James Dennis to Friends of Donald Stewart was not made in cash;
- 5) that the black Buick loaned to the committee was not from Mr. Dennis, and;
- 6) that the Senator's plane flight from Montgomery to Anniston paid for by Mr. Dennis, is a violation of §434(b) and that payment and reporting of this expenditure by the committee will be deemed sufficient compliance.

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Accordingly, and upon my recommendation, the file in this matter as it pertains to you is closed.

If you have any questions, please contact Judy Thedford at 202-523-4529.

Sincerely,

William C. Oldaker
General Counsel

73 Form 3811, Apr 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

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

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

2. ARTICLE ADDRESSED TO:
John W. Verdaman, Jr

3. ARTICLE DESCRIPTION:
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 | *942532* |
 (Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY: *8/17/79* POSTMARK

5. ADDRESS: (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

WJR 970 Thedford

© PO 1977-0-249-506

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
James H. Dennis, Sr.) MUR 970
Friends of Donald Stewart)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on August 14, 1979, the Commission determined by a vote of 4-0 to adopt the following recommendations, as set forth in the General Counsel' Report dated August 9, 1979, regarding the above-captioned matter:

1. Find reasonable cause to believe that James H. Dennis, Sr. violated 2 U.S.C. §§441a and 441f.
2. Find reason to believe and reasonable cause to believe that James H. Dennis, Sr. violated 2 U.S.C. §441b.
3. Find no reasonable cause to believe that James H. Dennis, Sr. violated 2 U.S.C. §441g and 11 C.F.R. §110.4(c)(1).
4. Find no reasonable cause to believe that the Friends of Donald Stewart violated 2 U.S.C. §434(b) and 11 C.F.R. §110.4(c)(2).
5. Send the letters and conciliation agreement attached to the above-named report.

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

Attest:

8-14-79
Date

for Margaret E. Chaney
Marjorie W. Emmons, Secretary to the Commission

Received in Office of Commission Secretary: 8-10-79, 7:57

Circulated on 48 hour vote basis: 8-10-79, 11:00

79040160811

August 9, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 970

Please have the attached General Counsel's Report on MUR 970 distributed to the Commission on a 48 hour tally basis.

Thank you.

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RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

In the Matter of)
)
James H. Dennis, Sr.) MUR 970 (79)
Friends of Donald Stewart)

79 AUG 10 A 7: 57

General Counsel's Report

I. Background

On June 12, 1979, the Commission found reason to believe that James H. Dennis, Sr. violated 2 U.S.C. §§441a, 441f, 441g and 11 C.F.R. §110.4(c)(1), and that Friends of Donald Stewart may have violated 2 U.S.C. §434(b) and 11 C.F.R. §110.4(c)(2). As will be discussed in this report, our investigation revealed that Mr. Dennis violated 2 U.S.C. §§441a, 441f and, in addition, 2 U.S.C. §441b. The 2 U.S.C. §441g and 11 C.F.R. 110.4(c)(1) violation allegedly committed by Mr. Dennis and the 11 C.F.R. §110.4(c)(2) violation allegedly committed by Friends of Donald Stewart were unsubstantiated. The committee's alleged violations of 2 U.S.C. §434(b) will also be discussed further in this report.

II. Evidence

On June 1, 1979, Mr. Salter, counsel for James Dennis, and Mr. Dennis met with the General Counsel. Subsequent to the meeting, affidavits were submitted to the Commission as well as copies of the money orders which Mr. Dennis used to make contributions to the Carey Peck For Congress Committee (See Attachment 1). Further information was requested from Mr. Dennis on July 10, and August 3, 1979. (See Attachment 2)

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The information submitted to the Commission by Mr. Dennis reveals the following:

1) Mr. Dennis made contributions totalling \$22,000 in the names of twenty-two (22) others to the 1978 Stewart senatorial campaign committee, Friends of Donald Stewart^{1/} and \$12,000 in the names of twelve (12) others to the 1978 Peck congressional committee, Carey Peck For Congress Committee.

2) All contributions made by Mr. Dennis to federal candidates in 1978 totalling \$36,150 were from corporate funds of Dennis Mining Supply and Equipment Co. Inc.

3) Mr. Dennis loaned \$1,000 each to Max Gurley and Andy Shadix in order that they, in turn, could make contributions to the Stewart 1978 campaign.

4) Mr. Dennis loaned the Senator a red Lincoln Continental in 1978 for a trip from Birmingham to Anniston and back; and flew the Senator and his family from Montgomery to Anniston after having attended a fundraiser.

5) Mr. Dennis made the contributions in the names of others to the 1978 Stewart campaign committee and 1978 Peck campaign committee by money orders made out in the names of others (see Attachment 1).

6) Mr. Dennis had no knowledge of a black Buick loaned to the Senator Stewart.

1/ From the list of contributors Mr. Dennis identified as having made the contributions, there is one discrepancy between those he identifies and the committee reports receiving. However, in this matter, the fact that the contributions total \$22,000 is more important than the name used.

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The Friends of Donald Stewart sent in a preliminary response on July 2, 1979. Further information was submitted by the committee's counsel, John W. Vardaman, Jr. by a letter dated August 1, 1979 and at a meeting held on August 3, 1979. (See Attachments 3 and 4).

The information submitted by the Friends of Donald Stewart stated the following:

- 1) That the red Lincoln Continental loaned by Mr. Dennis to Senator Stewart was used for returning home and not for campaign related activity;
- 2) That Senator Stewart's flight in the airplane leased by Mr. Dennis through the Lane Aero company for a trip from Montgomery to Anniston, was presumed to have been billed to the committee's account with Lane Aero. Upon review of the allegation the committee found that they had not been billed for this particular flight, and are currently requesting an invoice from Lane Aero in order to make payment;
- 3) That \$22,000, the full amount of Mr. Dennis' \$441f contributions to the Stewart campaign, was returned to Mr. Dennis on May 11, 1979 by the Friends of Donald Stewart for the illegal contributions;
- 4) That none of the Dennis contributions at issue were made in cash;
- 5) That the alleged use of Mr. Milton Turner's airplane was not for campaign related activity;
- 6) That the use of George Rush's airplane was paid for by the committee and duly reported and,

7) That the black Buick alleged to have been loaned to the committee by Mr. Dennis was not loaned by Mr. Dennis; the committee could not identify whose car it was.

III. Legal Analysis

From the information submitted to the Commission by Mr. James H. Dennis, Sr., it appears that Mr. Dennis committed the following violations of the Act:

- §441f for making contributions totalling \$22,000 in the names of others to the 1978 Stewart senatorial campaign committee, Friends of Donald Stewart; and contributions totalling \$12,000 in the names of others to the 1978 Peck congressional campaign committee, Carey Peck For Congress Committee;
- §441b for using corporate monies from Dennis Mining Supply and Equipment Co., Inc. to made contributions to the 1978 campaign of Donald Stewart and Carey Peck.
- §441a(a)(3) for making contributions aggregating in excess of \$25,000 for calendar year 1978.

Mr. Dennis stated that all the contributions which he made legally or illegally were given in the form of money orders, not cash, as had been alleged in the referral and that none of the contributors whose names Mr. Dennis used to make contributions in the name of another had any knowledge or permitted their names to be used. Mr. Dennis has stated he loaned a red Lincoln Continental to Senator Stewart and flew the Senator and his family from Montgomery to Anniston. Specifically, Mr. Dennis

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claims he loaned the car for a trip from Birmingham to Anniston and back on the same day; and that he flew the Senator and family from Montgomery to Anniston after having attended a fundraising dinner for Senator Stewart in Montgomery. The committee contends that the use of the car was for "personal use and not a campaign use." Whether or not the car trip was campaign-related and thus an in-kind contribution is arguable; however, there appears to be no question that the flight was an in-kind contribution. As the amount at issue would be relatively small in comparison with the \$36,150 contributed by Mr. Dennis in violation of the FECA, we do not recommend that this issue be pursued.

Mr. Dennis also loaned money to two individuals, Andy Shadix and Max Gurley, so that they in turn could make contributions to the Stewart campaign. These contributions could be considered contributions from Mr. Dennis in accordance with 2 U.S.C. §441a(a)(8) and 11 C.F.R. §110.6 or contributions made in the name of another, 2 U.S.C. §441f and 11 C.F.R. §110.4(b). However, counsel for Mr. Dennis has notified us that both Mr. Shadix and Mr. Gurley have made repayments to Mr. Dennis on these loans. Therefore, it is possible the contributions were actually those of Mr Shadix and Mr. Gurley and not, indirectly, that of Mr. Dennis. In light of the above payments being made to Mr. Dennis by Mr. Shadix and Mr. Gurley, and the relatively small of amount of monies involved here in comparison to the overall \$36,000 in violation, the Office of General Counsel recommends that this issue not be pursued.

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In summary, Mr. Dennis has contributed \$22,000 in the names of others and \$1,150 in his own name to the Stewart fund; and ~~\$22,000~~ in the names of others, in addition to \$1,000 in his own name, to the Carey Peck For Congress Committee. This totals \$23,150 to the Friends of Donald Stewart and \$13,000 to Carey Peck For Congress Committee in 1978.

It should be noted that the Stewart committee returned \$22,000 to Mr. Dennis on May 11, 1979. Counsel for Mr. Dennis has stated that repayment has not been received from Carey Peck For Congress Committee. Therefore, it is recommended that the Commission notify the Carey Peck For Congress Committee of the illegal contributions and request repayment.

The Office of the General Counsel recommends that the Commission find reasonable cause to believe that Mr. Dennis committed violations of 2 U.S.C. §§441a, 441f and find reason to believe and reasonable cause to believe that Mr. Dennis violated 2 U.S.C. §441b.

With respect to possible violations by the Friends of Donald Stewart Committee, the car trip provided by Mr. Dennis, if it was campaign related, is de minimus in the context of the overall violations committed by Mr. Dennis in this matter. With respect to the airplane trip paid for by Mr. Dennis, the committee argues that it was a billing error and has stated that it will make payment for the flight and report this to the Commission. The Office of the General Counsel, therefore recommends that no reasonable cause to believe

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violation of 2 U.S.C. §434(b) and 11 C.F.R. §110. ~~XXXXXX~~ were
conducted by Friends of Donald Stewart.

IV. Recommendation

1) Find reasonable cause to believe that James H. Dennis, Sr.
violated 2 U.S.C. §§441a, and 441f.

2) Find reason to believe and reasonable cause to believe
that James H. Dennis, Sr. violated 2 U.S.C. §441b.

3) Find no reasonable cause to believe that James H.
Dennis, Sr. violated 2 U.S.C. §441g and 11 C.F.R. §110.4(c)(1).

4) Find no reasonable cause to believe that the Friends
of Donald Stewart violated 2 U.S.C. §434(b) and 11 C.F.R.
§110.4(c)(2).

5) Send attached letters and conciliation agreement.

8/9/79
Date

William C. Oldaker
General Counsel

79040160819

Attachments

- Attachment 1 - Letter from Mr. Salter dated June 4, 1979
- Attachment 2 - Letter from Mr. Salter dated July 16, 1979
- Attachment 3 - Letter from Mr. Vardaman dated July 2, 1979
- Attachment 4 - Letter from Mr. Vardaman dated August 1, 1979

GLC 10284

MUR 970
Shelfad

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 600, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

AREA CODE 205
TELEPHONE 251-6668

June 4, 1979

Hon. William Clyde Oldaker
General Counsel
Federal Election Committee
1325 K Street, N.W., 7th Floor
Washington, D. C. 20463

19 JUN 7 4:31 PM '79
RECEIVED
OFFICE OF THE
GENERAL COUNSEL

Re: James H. Dennis, Sr.

Dear Mr. Oldaker:

I want to thank you again for your courtesy in meeting with Mr. Dennis and myself on June 1, 1979. As you requested, I am enclosing herewith certain additional information to facilitate closure in the investigation and disposition of certain apparent violations by Mr. Dennis.

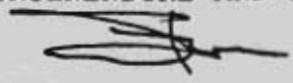
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1. Copies of cashier's checks secured by Mr. Dennis for contributions to the campaign of Mr. Cary Peck of California.
2. An affidavit by James H. Dennis, Sr. regarding certain non-monetary support rendered to Hon. Donald Stewart during his campaign.
3. Copy of check in amount of \$30,000.00 offered to but refused by Hon. Donald Stewart.
4. An affidavit of James H. Dennis, Sr. regarding his source of funds utilized to acquire the cashier's checks in paragraph 1 above and those funds contributed to the campaign of Donald Stewart.

Please feel free to call me if you need any additional information to resolve these areas of mutual concern. We trust that we will have your continued cooperation in bringing this matter to a close through the vehicle of a Conciliation Agreement.

Respectfully,

GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc
cc: James H. Dennis, Sr.
Encl.

Attachment 1

79040150821



THE FIRST NATIONAL BANK OF BIRMINGHAM
AN ALABAMA BANCORPORATION AFFILIATE
BIRMINGHAM, ALABAMA 35288

No. 1099927

Purchaser

Dennis Mining - Loan

Date Nov. 23, 19 78

Pay To The Order Of

Donald Stewart

CASHIER'S CHECK

CUSTOMER'S COPY
NON-NEGOTIABLE

Authorized Signature

[Handwritten Signature]

100 800
Purchaser



THE FIRST NATIONAL BANK OF BIRMINGHAM
AN ALABAMA BANK CORPORATION AFFILIATE
BIRMINGHAM, ALABAMA 35288

No. 1083645

Mike Chancey

Date November 14, 1970

Pay To The Order Of

1000.00

\$1,000.00

CASHIER'S CHECK

Cary Peck for Congress

CUSTOMER'S COPY
NON NEGOTIABLE

Authorized Signature

100 800
Purchaser



THE FIRST NATIONAL BANK OF BIRMINGHAM
AN ALABAMA BANK CORPORATION AFFILIATE
BIRMINGHAM, ALABAMA 35288

No. 1083647

Conice Chancey

Date November 14, 1970

Pay To The Order Of

1000.00

\$1,000.00

CASHIER'S CHECK

Cary Peck for Congress

CUSTOMER'S COPY
NON NEGOTIABLE

Authorized Signature

100 800
Purchaser



THE FIRST NATIONAL BANK OF BIRMINGHAM
AN ALABAMA BANK CORPORATION AFFILIATE
BIRMINGHAM, ALABAMA 35288

No. 1083646

Richard Marshall

Date November 14, 1970

Pay To The Order Of

1000.00

\$1,000.00

CASHIER'S CHECK

Cary Peck for Congress

CUSTOMER'S COPY
NON NEGOTIABLE

Authorized Signature

Thedford

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 900, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

AREA CODE 205
TELEPHONE 251-6666

July 16, 1979

Hon. William Clyde Oldaker
General Counsel
Federal Election Committee
1325 K Street, N.W., 7th Floor
Washington, D. C. 20463

Attention: Ms. Judy Thedford

Re: James H. Dennis, Sr.

Dear Mr. Oldaker:

After receiving your letter of June 20, 1979, and discussing same with Ms. Thedford I am enclosing an additional Affidavit from James H. Dennis, Sr. for your information and review.

If you need any additional information, I trust that you will contact me at your earliest convenience. We are hopeful that we can soon put this matter behind and reach a mutually satisfactory conciliation agreement. We will be happy to meet with you at your earliest convenience to facilitate this result.

Yours very truly,

GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc
Encl.

cc: James H. Dennis, Sr.

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Attachment 2

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RECEIVED
FEDERAL ELECTION
COMMISSION

10625

STATE OF ALABAMA)
JEFFERSON COUNTY)

903172

79 JUL 19 PM 1:44
AFFIDAVIT

Before me the undersigned authority in and for said County and State personally appeared James H. Dennis, Sr. who, being by me duly sworn, doth depose and say as follows:

My name is James H. Dennis, Sr. and I am a resident of Jefferson County, Alabama. I am making this Affidavit in further support of my previous information provided to the Federal Election Commission including that letter of June 4, 1979, and its enclosures.

After receiving the Commission's letter of June 20, 1979, I understand that there are several additional factual matters on which clarification is desired.

I have looked through my files and records and am unable to obtain copies of the money orders used to make the previously described contributions to the Friends of Donald Stewart Committee. My business was burned and destroyed by fire in early January of 1979 and I can only believe that those records were destroyed at that time. For your information, all of those money orders were purchased from the First National Bank of Birmingham at various branches. I know that it might be difficult, but they should have records of cashier's checks purchased in the respective amounts on or about the dates indicated.

Out of the contributions made as previously described to both the Stewart and Peck campaigns, only two \$1,000.00 contributions might be considered actual loans to the individuals in whose names the contributions were placed: Max Gurley and Andy Shadix. I did not loan any of the funds used for the contributions in either campaign to any other persons than the above two.

As previously set forth in my Affidavit of June 4, 1979, enclosed under a cover letter from my counsel also dated that date, all of the funds used to acquire the various cashier's checks in both campaigns were obtained by making withdrawals on the corporate account of Dennis Mining Supply & Equipment Co., Inc., an Alabama corporation.

Other than Mr. Gurley and Mr. Shadix with regard to their two respective contributions, none of the other individuals involved and no other person outside of the purported contributors had any knowledge of my actions. On occasions, I asked one or more of my employees to take an envelope to a bank which envelope contained a check to be used for purchasing these cashier's checks. If I had not made previous arrangements by telephone with one of the cashier's, the envelope would contain a note listing the names and amounts for the various cashier's checks. These cashier's checks would then be

placed in another envelope, sealed and returned to me by such employee. In addition to the contributions made to the Peck campaign referenced in my counsel's cover letter of June 4, 1979, to the Commission (that is the enclosure of copies of various cashier's checks), I recall four additional contributions:

<u>Name</u>	<u>Date</u>	<u>Amount</u>
Johnny Desmond, Pinson, Al.	11/8/78	\$1,000.00
Max Gurley, Arley, Al.	11/8/78	\$1,000.00
Wayne Moore, Birmingham, Al.	11/8/78	\$1,000.00
Andy Shadix, Birmingham, Al.	10/30/78	\$1,000.00.

None of these individuals nor anyone else was aware that the contributions were being made in their names by me.

This the 16th day of July, 1979.


 JAMES H. DENNIS, Sr.

Sworn to and subscribed before
 me this the 16th day of July, 1979.


 Notary Public

STATE OF ALABAMA)
 JEFFERSON COUNTY)

AFFIDAVIT

Before me, the undersigned authority in and for said County and State, personally appeared James H. Dennis, Sr., who being by me duly sworn doth depose and says as follows:

My name is James H. Dennis, Sr. and I am a resident of Jefferson County, Alabama.

I make this affidavit for the purpose of making known the circumstances surrounding my providing or causing to be provided certain non-monetary support to Hon. Donald Stewart during his election campaign for the United States Senate.

I had come to know Senator Stewart and his family in a social setting and had committed to support his election to the United States Senate because of my respect for his abilities and dedication.

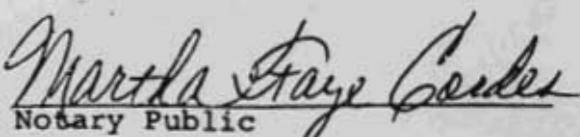
On one occasion, the exact date I cannot recall, I learned that Senator Stewart was having difficulties with his car. When we were unable to start the car with battery cables, etc., I loaned him a red Lincoln Continental Mark V. I understand he drove this vehicle from Birmingham to Anniston, Alabama and then returned from Anniston to Birmingham, Alabama the same day.

On another occasion, the exact date I cannot recall, I was in Montgomery, Alabama where Senator Stewart was having a fund raising dinner. I had leased an airplane for my travel. When I learned that Senator Stewart and his family were very tired and exhausted from the intense, ongoing campaign travels, I offered he and his family a return flight from Montgomery, Alabama, in the leased aircraft rather than his attempting to drive any automobile. I instructed the pilot to make a brief detour from my intended Montgomery to Birmingham, Alabama destination to take the Senator and his family to Anniston. This occurred on only this one occasion and was motivated by concern for his welfare and safety.

This the 4th day of June, 1979.


 JAMES H. DENNIS, SR.

Sworn to and subscribed before me
 this the 4th day of June, 1979.


 Notary Public

STATE OF ALABAMA)
JEFFERSON COUNTY)

AFFIDAVIT

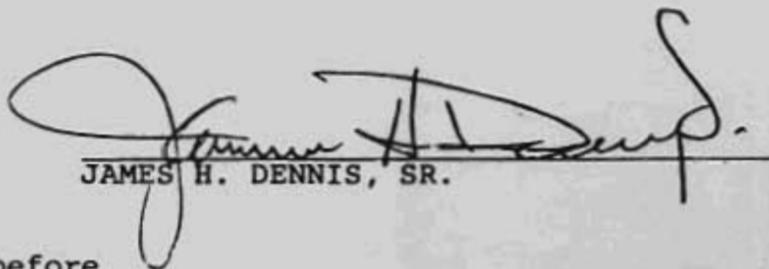
Before me, the undersigned authority in and for said County and State, personally appeared James H. Dennis, Sr., who being by me duly sworn doth depose and says as follows:

My name is James H. Dennis, Sr., and I am a resident of Jefferson County, Alabama.

I make this affidavit for the purpose of making known the source of funds utilized by me in making and causing to be made certain contributions to the campaigns of Honorable Donald Stewart and Mr. Cary Peck.

I utilized corporate funds of Dennis Mining Supply and Equipment, Inc., an Alabama corporation, to acquire the cashier's checks used to make all contributions to the campaigns of both Honorable Donald Stewart and Mr. Cary Peck.

This the 4th day of June, 1979.


JAMES H. DENNIS, SR.

Sworn to and subscribed before
me this the 4th day of June, 1979.


Notary Public

300
10476

LAW OFFICES
WILLIAMS & CONNOLLY
HILL BUILDING

WASHINGTON, D. C. 20006

AREA CODE 202
331-5000

July 2, 1979

EDWARD BENNETT WILLIAMS
PAUL R. CONNOLLY (1922-1978)
ROBERT A. SCHULMAN
HAROLD UNGAR
VINCENT J. FULLER
RAYMOND W. BERGAN
JEREMIAH C. COLLINS
DAVID N. WEBSTER
ROBERT L. WEINBERG
LYMAN G. FRIEDMAN
DAVID POVICH
STEVEN M. UMIN
JOHN W. VARDAMAN, JR.
PAUL MARTIN WOLFF
J. ALAN GALBRAITH
CHARLES H. WILSON
JOHN G. KESTER
WILLIAM E. MCDANIELS
BRENDAN V. SULLIVAN, JR.
AUBREY M. DANIEL, III
ROBERT P. WATRINS
JERRY L. SHULMAN
JOHN B. KUHNS
GREGORY S. CRAIG
LAWRENCE LUCCHINO
LEWIS H. FERGOUSON, III
ROBERT S. BARNETT

ALFRED F. BERGNER
BARRY L. WEISMAN
DAVID E. KENDALL
KENDRA E. HEYMANN
TERRENCE O'DONNELL
JOHN J. BUCKLEY, JR.
BERNARD J. CARL
DOUGLAS R. MARVIN
JOHN M. MASON
JOHN R. VILLA
BARRY S. SIMON
KEVIN T. BAINE
ELLEN BEGAL HUYELLE
STEPHEN L. URBANCEYK
PHILIP J. WARD
PETER J. KAHN
DANIEL J. MELTZER
JUDITH A. MILLER
LON S. BABBY
JANE E. GENSTER
SCOTT BLAKE HARRIS
FREDERICK WHITTEN PETERS
MICHAEL S. SUNDERMEYER
DAVID D. AUFHAUSER
BRUCE R. GENDERSON
CAROLYN H. WILLIAMS

7 9 0 1 0 1 5 0 8 3 0

HAND DELIVERED

Mr. William Oldaker
Federal Election Commission
1325 K Street, Northwest
Washington, D. C. 20463

Re: Friends of Donald Stewart
(MUR 970)

Dear Mr. Oldaker:

On June 22, we received your letter dated June 20, 1979, (MUR 970) in which you outlined certain allegations regarding the Friends of Donald Stewart Committee's activities. I have been away from Washington on vacation since June 15, and have, thus, been unable to prepare a final response. However, in accord with your request that a response be made within ten days, we are submitting this as a preliminary response.

(1)--(a) Mr. Dennis may have loaned a vehicle to the campaign for parts of two days during this period of time. We are reviewing this further.

(b) To our knowledge, there was never a time during which a red Lincoln Continental was used by Senator Stewart for campaign purposes.

Attachment 3

Mr. William Oldaker
July 2, 1979
Page 2

(c) Mr. Dennis, to the Committee's knowledge, does not own an airplane. All airplanes that were used for campaign purposes were paid for by the Committee.

(2) Mr. Milton Turner's aircraft was never used for campaign purposes.

An aircraft was leased from Mr. George Rush on one occasion. The Committee paid Mr. Rush for the use of the aircraft, and that expense was duly reported.

(3) In the course of a thorough investigation by our Committee, Mr. Dennis admitted that he contributed \$22,000 to the Committee in the names of other people. None of the contributions were in cash. At the time those contributions were received, the Committee did not know they were made by Mr. Dennis. Upon discovering that fact, the money was promptly returned to him. The Committee informed the F.E.C. of the investigation, the findings, and the return of the money by letter dated May 15, 1979.

You may take this letter as notification that I will be representing the Friends of Donald Stewart Committee as counsel in this matter. Upon my return to Washington on July 9, I will contact your office to discuss whether an additional response is appropriate.

Very truly yours,

John W. Vardaman, Jr.
John W. Vardaman, Jr. *JWB*

79040150831

LAW OFFICES
WILLIAMS & CONNOLLY
HILL BUILDING

WASHINGTON, D. C. 20006

AREA CODE 202
331-5000

August 1, 1979

EDWARD BENNETT WILLIAMS
PAUL R. CONNOLLY (1922-1978)
ROBERT A. SCHULMAN
HAROLD UNGAR
VINCENT J. FULLER
RAYMOND W. BERGAN
JEREMIAH C. COLLINS
DAVID N. WEBSTER
ROBERT L. WEINBERG
LYMAN G. FRIEDMAN
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KENORA E. WETMANN
TERRENCE O'DONNELL
JOHN J. BUCKLEY, JR.
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DOUGLAS R. HARVIN
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FREDERICK WHITTEN PETERS
MICHAEL S. SUNDERMEYER
DAVID D. AUFHAUBER
BRUCE R. GENDERSON
CAROLYN H. WILLIAMS

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

Re: Friends of Donald Stewart
MUR 970

Dear Mr. Ponder:

In anticipation of our meeting on Friday morning, I want to further elaborate on our response of July 2, 1979 and to address specifically several issues raised in telephone conversations with yourself and Judy Thedford.

With respect to the airplane of Mr. Rush, I am enclosing the invoice from Rush Engineers to Donald Stewart as well as the page from his FEC report disclosing payment of that invoice on January 20, 1978.

Judy Thedford specifically asked about an airplane trip between Montgomery and Anniston on a plane leased by Mr. James Dennis. Senator Stewart and members of his family did travel to Anniston on such a plane on one occasion. However, it was the understanding of the Committee with Lane Aero, from whom the plane was leased, that all flights taken by Senator Stewart were to be billed to the Committee. It was assumed that this flight had been handled in that manner. When we received a specific inquiry about

Attachment 4

79040160832

Hal Ponder, Esquire
August 1, 1979
Page Two

this flight, we discovered that no invoice had been presented. The Committee contacted Lane Aero and requested an invoice and this has been sent. Payment will be disclosed on the next FEC report.

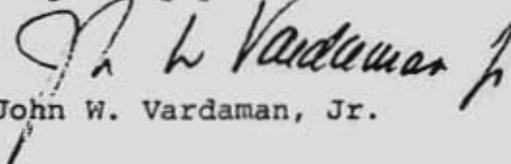
We have looked further into the use of the red Lincoln Continental. I now understand that on one occasion, Mr. Dennis did loan such a car to Senator Stewart for him to use in returning to his home in Anniston. This occurred after Senator Stewart's car failed to start. Since the car was used by Senator Stewart for the purpose of returning home and not for the purpose of campaigning, I believe that this should be considered a personal use and not a campaign use.

With respect to the use of a black Buick referred to in your original letter of June 20, 1979, I understand that a car meeting that description was used for two or three days. However, to the best of our information, that car did not belong to Dennis. We have no further information as to whose car it was.

I believe that, under the circumstances, all the items listed above which should have been disclosed were disclosed or in the case of the airplane trip, will be disclosed. I would additionally point out, however, that under your regulations, 11 CFR § 104.3, it appears that in-kind contributions need be reported only if in excess of \$100. Even if the items discussed above should be deemed in-kind contributions, they do not exceed \$100, and thus need not be reported.

I look forward to discussing these items with you on Friday and I hope we can bring this matter to a speedy conclusion.

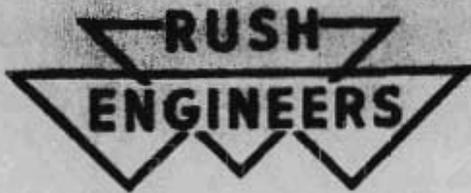
Very truly yours,


John W. Vardaman, Jr.

JWV/pea
Enclosure

HAND DELIVERY

79040150833



GENERAL CONTRACTORS

P. O. DRAWER 1108
ANNISTON, AL 36201
205 - 238-8838

November 1, 1977

INVOICE

To: Donald W. Stewart

Airplane rental - four (4) hours flight time	
@ \$200./hr.....	\$800.00
Pilot waiting - 8 hours	
@ \$10./hr.....	\$ 80.00
TOTAL AMT. INVOICE	\$880.00

79040150834

George S. Rush/dp

Pd. 1-20-78
ch. #283

Itemized Expenditures
 Campaign Fundraising, Loans, and Transfers
 for Lines 20, 22, 23, and/or 24 of FEC Form 3

(see instructions on back)

(Use separate schedule(s) for each numbered line)

Name of Candidate or Committee in full

Friends of Donald Stewart

Full Name, mailing address and ZIP code

Donald Stewart
 325 E. 64 St
 Anniston, Ala. 36201

Purpose of Expenditure

TRAVEL EXPENSES
 AIR FARE
 Travel Expenses

Date (month, day, year)

1-6-78
 1-6-78
 3-14-78

Amount of each expenditure this period

500.00
 200.00
 443.17

Full Name, mailing address and ZIP code

U. S. Postmaster
 1101 Quintard Ave.

Purpose of Expenditure

Bulk mail
 Bulk mail
 Postage meter

Date (month, day, year)

1-10-78
 1-12-78
 1-23-78
 1-27-78
 2-17-78

Amount of each expenditure this period

187.95
 102.23
 200.00
 200.00
 300.00

Full Name, mailing address and ZIP code

Marginal Chernoff Associates
 Suite 320
 JEFFERSON SQUARE
 Columbia, So. Carolina 29201

Purpose of Expenditure

Public Relations Work

Date (month, day, year)

1-11-78

Amount of each expenditure this period

2,000.00

Full Name, mailing address and ZIP code

Rush ENGINEERS
 P.O. Drawer 1108
 Anniston, Ala. 36202

Purpose of Expenditure

Airplane Rental

Date (month, day, year)

1-20-78

Amount of each expenditure this period

880.00

Full Name, mailing address and ZIP code

Stewart & Morris
 Attorneys at Law
 1101 Leighton Ave.
 Anniston, Ala. 36201

Purpose of Expenditure

REIMBURSE RE:
 Long Distant Phone calls

Date (month, day, year)

1-20-78
 3-29-78

Amount of each expenditure this period

450.97
 326.24

Full Name, mailing address and ZIP code

Stewart & Colvin Bldg. Fund
 P.O. Box 2233
 Anniston, Ala. 36202

Purpose of Expenditure

Rent
 Copy machine rent
 Location
 Rent

Date (month, day, year)

1-23-78
 1-23-78
 3-13-78
 3-29-78

Amount of each expenditure this period

500.00
 202.50
 230.53
 578.00

Full Name, mailing address and ZIP code

Commercial National Bank
 931 Noble Street
 Anniston, Ala. 36201

Purpose of Expenditure

Fed. Tax Deposit
 " " "
 Interest on Note

Date (month, day, year)

1-30-78
 2-16-78
 3-7-78

Amount of each expenditure this period

5,219.77
 1,100.00
 235.00

Full Name, mailing address and ZIP code

State Department of Revenue
 State Capital Bldg
 Montgomery, Ala. 36130

Purpose of Expenditure

Quarterly Return (2-24-77)

Date (month, day, year)

1-30-78

Amount of each expenditure this period

137.02

Subtotal of expenditures this page (optional)

9,212.00

Total this period (last page this line number only)



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Michael A. Gordon
Treasurer
Carey Peck For Congress Committee
Gordon and Berg
9200 Sunset Blvd.
Suite 100
Los Angeles, CA 90069

RE: MUR 970

Dear Mr. Gordon:

In the normal course of carrying out its supervisory responsibilities, the Commission has received information that Mr. James H. Dennis, Sr. of Birmingham, Alabama made contributions in the names of others, in violation of 2 U.S.C. §441f, to your committee in 1978. Specifically, Mr. Dennis acknowledges making contributions totalling \$12,000 in the names of other as follows:

Johnny Desmond	11/8/78	\$1,000
Max Gurley	11/8/78	1,000
Wayne Moore	11/8/78	1,000
Andy Shadix	10/30/78	1,000
Charles Mike Chancey	11/9/78	1,000
Roy J. Ledbetter	11/9/78	1,000
Gary M. Dennis	11/9/78	1,000
Mike Chancey	11/25/78	1,000
Janice Chancey	11/25/78	1,000
Michael Morehart	11/25/78	1,000
Terry Henley	11/25/78	1,000
Mike Henley	11/25/78	1,000

In accordance with 11 C.F.R. §103.3, the Commission requests that your committee repay Mr. Dennis for the illegal contributions. Mr. Dennis currently resides at 2912 Lomb Avenue, Birmingham, Alabama 35008.



Mr. Michael A. Gordon
Page 2

We request that you send this office an acknowledgment of the repayment. If you have any questions or wish to discuss this matter, please contact Ms. Judy Thedford at 202/523-4529.

Thank you very much.

Sincerely,

William C. Oldaker
General Counsel

9040160837



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Stephen Salter
Groenendyke and Salter
Suite 500, Title Building
2030 3rd Avenue North
Birmingham, AL 35203

RE: MUR 970

Dear Mr. Salter:

On August , 1979, the Commission found reasonable cause to believe that your client, James H. Dennis, Sr., committed violations of 2 U.S.C. §441a and §441f; no reasonable cause to believe that Mr. Dennis violated 2 U.S.C. §441g and 11 C.F.R. §110.4(c)(1); and reason to believe and reasonable cause to believe that Mr. Dennis violated 2 U.S.C. §441b.

Specifically, the Commission found reasonable cause to believe that:

- 1) Mr. Dennis by making contributions totalling \$22,000 in the names of other individuals to the 1978 Stewart senatorial campaign; and contributions totalling \$12,000 in the names of other individuals to the 1978 Peck congressional campaign violated 2 U.S.C. §441a and §441f;
- 2) Mr. Dennis by making contributions aggregating more than \$25,000 in a calendar year violated 2 U.S.C. §441a(a)(3); and
- 3) Mr. Dennis violated 2 U.S.C. §441b for utilizing corporate funds of Dennis Mining Supply and Equipment Co., Inc. to make all contributions to federal candidates, Stewart and Peck.



Mr. J. Stephen Salter
Page 2

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g(a)(5)(A). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in United States District Court and seek payment of a civil penalty.

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

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Judy Thedford at 202/523-4529.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

7-99-10160839



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John W. Vardaman, Jr.
Williams and Connolly
Hill Building
Washington, D.C. 20006

RE: MUR 970

Dear Mr. Vardaman:

On August 1, 1979, the Commission found no reasonable cause to believe that your client, Friends of Donald Stewart, violated 2 U.S.C. §434 (b) and 11 C.F.R. §110.4(c)(2). Specifically, the Commission determined that:

- 1) the plane loaned by Mr. Milton Turner to the committee was not for campaign related activity and not a reported receipt;
- 2) the plane loaned to the committee by George Rush was paid for by the committee and duly reported;
- 3) the red Lincoln Continental loaned by Mr. Dennis to Senator Stewart was for personal use and not a campaign receipt;
- 4) that the \$22,000 in contributions made in the name of another by James Dennis to Friends of Donald Stewart was not made in cash;
- 5) that the black Buick loaned to the committee was not from Mr. Dennis, and;
- 6) that the Senator's plane flight from Montgomery to Anniston paid for by Mr. Dennis, is a violation of §434(b) and that payment and reporting of this expenditure by the committee will be deemed sufficient compliance.

79040150840



Accordingly, and upon my recommendation, the file in this matter as it pertains to you is closed.

If you have any questions, please contact Judy Thedford at 202-523-4529.

Sincerely,

William C. Oldaker
General Counsel

79040160841

300-10773

LAW OFFICES
WILLIAMS & CONNOLLY
HILL BUILDING

WASHINGTON, D. C. 20006

AREA CODE 202
331-5000

August 1, 1979

EDWARD BENNETT WILLIAMS
PAUL R. CONNOLLY (1922-1979)
ROBERT A. SCHULMAN
HAROLD UNGAR
VINCENT J. FULLER
RAYMOND W. BERGAN
JEREMIAH C. COLLINS
DAVID H. WEBSTER
ROBERT L. WEINBERG
LYMAN G. FRIEDMAN
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LEWIS H. FERGUSON, III
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ALFRED P. BERGNER
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DOUGLAS R. MARVIN
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LOH S. BABBY
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FREDERICK WHITTEN PETERS
MICHAEL S. SUNDERMEYER
DAVID D. AUPHAUSER
BRUCE R. GENDERSON
CAROLYN H. WILLIAMS

7 9 0 1 0 1 5 0 3 4 2

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

Re: Friends of Donald Stewart
MUR 970

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Hal Ponder, Esquire
August 1, 1979
Page Two

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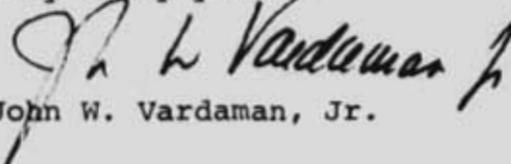
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I believe that, under the circumstances, all the items listed above which should have been disclosed were disclosed or in the case of the airplane trip, will be disclosed. I would additionally point out, however, that under your regulations, 11 CFR § 104.3, it appears that in-kind contributions need be reported only if in excess of \$100. Even if the items discussed above should be deemed in-kind contributions, they do not exceed \$100, and thus need not be reported.

I look forward to discussing these items with you on Friday and I hope we can bring this matter to a speedy conclusion.

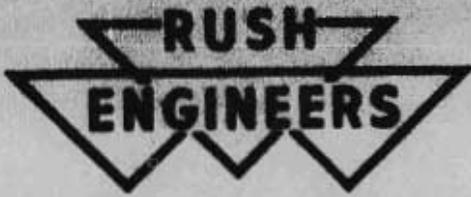
Very truly yours,


John W. Vardaman, Jr.

JWV/pea
Enclosure

HAND DELIVERY

7 9 0 1 0 1 6 3 8 4 3



GENERAL CONTRACTORS
P. O. DRAWER 1108
ANNISTON, AL 38201
305 - 228-8535

November 1, 1977

INVOICE

To: Donald W. Stewart

Airplane rental - four (4) hours flight time	
● \$200./hr.....	\$800.00
Pilot waiting - 8 hours	
● \$10./hr.....	\$ 80.00
	<hr/>
TOTAL AMT. INVOICE	\$880.00

79040150844

George S. Rush/dp

Pd. 1-20-78
ck. #283

Schedule B

1976
1201 E. Ten Streets & International
3 N. Street, N.W.
Washington, D.C. 20462

Itemized Expenditures
Campaign Fundraising, Loans, and Transfers
for Lines 20, 22, 23, and/or 24 of FEC Form 3

(see instructions on back)

Page 3 of 5 for

LINE NUMBER 20a

(Use separate schedule(s) for each numbered line)

Name of Candidate or Committee in full

Name of Candidate or Committee in full	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
<i>Friends of Donald Stewart</i>			
Full Name, mailing address and ZIP code Donald Stewart 325 E. 64 St. Anniston, Ala. 36201	TRAVEL EXPENSES AIR FARE TRAVEL EXPENSES	1-6-78 1-6-78 3-14-78	500.00 200.00 443.17
Full Name, mailing address and ZIP code U. S. Postmaster 1101 Quintard Ave. Anniston, Ala. 36201	Purpose of Expenditure Bulk Mail Bulk Mail Postage meter " " " "	Date (month, day, year) 1-10-78 1-12-78 1-23-78 1-27-78 3-17-78	Amount of each expenditure this period 187.95 102.23 200.00 200.00 300.00
Full Name, mailing address and ZIP code MORRIS CHERNOFF ASSOCIATES Suite 320 JEFFERSON SQUARE Columbia, So. Carolina 29201	Purpose of Expenditure Public Relations Work	Date (month, day, year) 1-11-78	Amount of each expenditure this period 2,000.00
Full Name, mailing address and ZIP code Rush Engineers P.O. Drawer 1108 Anniston, Ala. 36202	Purpose of Expenditure Airplane Rental	Date (month, day, year) 1-20-78	Amount of each expenditure this period 580.00
Full Name, mailing address and ZIP code STEWART & MORRIS ATTORNEYS AT LAW 1131 LEIGHTON AVE. ANNISTON, ALA. 36201	Purpose of Expenditure Reimburse RE: Long Distant Phone calls	Date (month, day, year) 1-20-78 3-29-78	Amount of each expenditure this period 450.00 326.22
Full Name, mailing address and ZIP code Stewart & Colvin Bldg. Fund P.O. Box 2233 Anniston, Ala. 36202	Purpose of Expenditure RENT Copy machine RENT LITIGATION RENT	Date (month, day, year) 1-23-78 1-23-78 3-13-78 3-29-78	Amount of each expenditure this period 500.00 202.50 236.53 570.00
Full Name, mailing address and ZIP code Commercial National Bank 931 Noble Street Anniston, Ala. 36201	Purpose of Expenditure Fed. Tax Deposit " " Interest on Note	Date (month, day, year) 1-30-78 2-16-78 3-7-78	Amount of each expenditure this period 5,200.00 1,100.00 235.00
Full Name, mailing address and ZIP code State Department of REVENUE State Capital Bldg Montgomery, Ala. 36130	Purpose of Expenditure Quarterly Return (2-3-77)	Date (month, day, year) 1-30-78	Amount of each expenditure this period 137.00

Subtotal of expenditures this page (optional)

9,212.06

Total this period (last page this line number only)

LAW OFFICES

WILLIAMS & CONNOLLY

HILL BUILDING

WASHINGTON, D. C. 20006

Hal Ponder, Esquire
Federal Elections Commission
1325 K Street, N.W.
Washington, D.C. 20463

HAND DELIVERY

7 9 0 1 0 1 5 0 4 6

EDWARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

ATTORNEYS AT LAW
2030 2ND AVENUE, MOBILE
MOBILE, ALABAMA 36688

AREA 9088 000
TELEPHONE 201-0000

July 16, 1979

Hon. William Clyde Oldaker
General Counsel
Federal Election Committee
1325 K Street, N.W., 7th Floor
Washington, D. C. 20463
Attention: Ms. Judy Thedford

Re: James H. Dennis, Sr.

Dear Mr. Oldaker:

After receiving your letter of June 20, 1979, and discussing same with Ms. Thedford I am enclosing an additional Affidavit from James H. Dennis, Sr. for your information and review.

If you need any additional information, I trust that you will contact me at your earliest convenience. We are hopeful that we can soon put this matter behind and reach a mutually satisfactory conciliation agreement. We will be happy to meet with you at your earliest convenience to facilitate this result.

Yours very truly,

GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc
Encl.
cc: James H. Dennis, Sr.

79040160847

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RECEIVED
FEDERAL ELECTION
COMMISSION

4-10-79
10625

STATE OF ALABAMA)
JEFFERSON COUNTY)

903172

79 JUL 19 PM 1:44
AFFIDAVIT

Before me the undersigned authority in and for said County and State personally appeared James H. Dennis, Sr. who, being by me duly sworn, doth depose and say as follows:

My name is James H. Dennis, Sr. and I am a resident of Jefferson County, Alabama. I am making this Affidavit in further support of my previous information provided to the Federal Election Commission including that letter of June 4, 1979, and its enclosures.

After receiving the Commission's letter of June 20, 1979, I understand that there are several additional factual matters on which clarification is desired.

I have looked through my files and records and am unable to obtain copies of the money orders used to make the previously described contributions to the Friends of Donald Stewart Committee. My business was burned and destroyed by fire in early January of 1979 and I can only believe that those records were destroyed at that time. For your information, all of those money orders were purchased from the First National Bank of Birmingham at various branches. I know that it might be difficult, but they should have records of cashier's checks purchased in the respective amounts on or about the dates indicated.

Out of the contributions made as previously described to both the Stewart and Peck campaigns, only two \$1,000.00 contributions might be considered actual loans to the individuals in whose names the contributions were placed: Max Gurley and Andy Shadix. I did not loan any of the funds used for the contributions in either campaign to any other persons than the above two.

As previously set forth in my Affidavit of June 4, 1979, enclosed under a cover letter from my counsel also dated that date, all of the funds used to acquire the various cashier's checks in both campaigns were obtained by making withdrawals on the corporate account of Dennis Mining Supply & Equipment Co., Inc., an Alabama corporation.

Other than Mr. Gurley and Mr. Shadix with regard to their two respective contributions, none of the other individuals involved and no other person outside of the purported contributors had any knowledge of my actions. On occasions, I asked one or more of my employees to take an envelope to a bank which envelope contained a check to be used for purchasing these cashier's checks. If I had not made previous arrangements by telephone with one of the cashier's, the envelope would contain a note listing the names and amounts for the various cashier's checks. These cashier's checks would then be

placed in another envelope, sealed and returned to me by such employee. In addition to the contributions made to the Peck campaign referenced in my counsel's cover letter of June 4, 1979, to the Commission (that is the enclosure of copies of various cashier's checks), I recall four additional contributions:

<u>Name</u>	<u>Date</u>	<u>Amount</u>
Johnny Desmond, Pinson, Al.	11/8/78	\$1,000.00
Max Gurley, Arley, Al.	11/8/78	\$1,000.00
Wayne Moore, Birmingham, Al.	11/8/78	\$1,000.00
Andy Shadix, Birmingham, Al.	10/30/78	\$1,000.00.

None of these individuals nor anyone else was aware that the contributions were being made in their names by me.

This the 16th day of July, 1979.


 JAMES H. DENNIS, Sr.

Sworn to and subscribed before
 me this the 16th day of July, 1979.


 Notary Public

7904015950
GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 500, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203



79 JUL 19 PM 1:44

Hon. William Clyde Oldaker
General Counsel
Federal Election Committee
1325 K Street N.W., 7th Floor
Washington, D. C. 20463

Attention: Ms. Judy Theford



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
DATE: JULY 13, 1979
SUBJECT: MUR 970 - Interim Investigative Report,
dated July 10, 1979, signed by GC
7-10-79, Received by OCS 7-12-79, 4:16

The above-named document was circulated to
the Commission on a 24-hour no-objection basis
at 2:00, July 13, 1979.

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

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July 12, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 970

Please have the attached Interim Invest Report
on MUR 970 distributed to the Commission.

Thank you.

79040150852

300#
10474

LAW OFFICES
WILLIAMS & CONNOLLY
HILL BUILDING

WASHINGTON, D. C. 20006

AREA CODE 202
331-5000

July 2, 1979

EDWARD BENNETT WILLIAMS
PAUL R. CONNOLLY (1982-1979)
ROBERT A. SCHULMAN
HAROLD UNGAR
VINCENT J. FULLER
RAYMOND W. BERGAN
JEREMIAH C. COLLINS
DAVID N. WEBSTER
ROBERT L. WEINBERG
LYMAN G. FRIEDMAN
DAVID POVICH
STEVEN M. UMIN
JOHN W. VARDAMAN, JR.
PAUL MARTIN WOLFF
J. ALAN GALBRAITH
CHARLES H. WILSON
JOHN G. KESTER
WILLIAM E. MCDANIELS
BRENDAN V. SULLIVAN, JR.
AUBREY M. DANIEL, III
ROBERT P. WATKINS
JERRY L. SHULMAN
JOHN B. KUHN
GREGORY S. CRAIG
LAWRENCE LUCCHINO
LEWIS H. FERGUSON, III
ROBERT S. BARNETT

ALFRED P. BERGNER
BARRY L. WEISMAN
DAVID E. KENDALL
KENDRA E. HEYMANN
TERRENCE O'DONNELL
JOHN J. BUCKLEY, JR.
BERNARD J. CARL
DOUGLAS R. MARVIN
JOHN M. MASON
JOHN K. VILLA
BARRY S. SIMON
KEVIN T. BAINE
ELLEN SEGAL HUELLE
STEPHEN L. URBANCIYK
PHILIP J. WARD
PETER J. KAHN
DANIEL J. MELTZER
JUDITH A. MILLER
LON S. BABBY
JANE E. GENSTER
SCOTT BLAKE HARRIS
FREDERICK WHITTEN PETERS
MICHAEL S. SUNDERMEYER
DAVID D. AUFHAUSER
BRUCE R. GENDERSON
CAROLYN H. WILLIAMS

79010150354

HAND DELIVERED

Mr. William Oldaker
Federal Election Commission
1325 K Street, Northwest
Washington, D. C. 20463

Re: Friends of Donald Stewart
(MUR 970)

Dear Mr. Oldaker:

On June 22, we received your letter dated June 20, 1979, (MUR 970) in which you outlined certain allegations regarding the Friends of Donald Stewart Committee's activities. I have been away from Washington on vacation since June 15, and have, thus, been unable to prepare a final response. However, in accord with your request that a response be made within ten days, we are submitting this as a preliminary response.

(1)--(a) Mr. Dennis may have loaned a vehicle to the campaign for parts of two days during this period of time. We are reviewing this further.

(b) To our knowledge, there was never a time during which a red Lincoln Continental was used by Senator Stewart for campaign purposes.

Mr. William Oldaker
July 2, 1979
Page 2

(c) Mr. Dennis, to the Committee's knowledge, does not own an airplane. All airplanes that were used for campaign purposes were paid for by the Committee.

(2) Mr. Milton Turner's aircraft was never used for campaign purposes.

An aircraft was leased from Mr. George Rush on one occasion. The Committee paid Mr. Rush for the use of the aircraft, and that expense was duly reported.

(3) In the course of a thorough investigation by our Committee, Mr. Dennis admitted that he contributed \$22,000 to the Committee in the names of other people. None of the contributions were in cash. At the time those contributions were received, the Committee did not know they were made by Mr. Dennis. Upon discovering that fact, the money was promptly returned to him. The Committee informed the F.E.C. of the investigation, the findings, and the return of the money by letter dated May 15, 1979.

You may take this letter as notification that I will be representing the Friends of Donald Stewart Committee as counsel in this matter. Upon my return to Washington on July 9, I will contact your office to discuss whether an additional response is appropriate.

Very truly yours,

John W. Vardaman, Jr.
John W. Vardaman, Jr.

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LAW OFFICES
WILLIAMS & CONNOLLY
HILL BUILDING
WASHINGTON, D. C. 20006

HAND DELIVERED

Mr. William Oldaker
Federal Election Commission
1325 K Street, Northwest
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

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

June 20, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. James Stewart, Jr., Treasurer
Friends of Donald Stewart
P.O. Box 2274
Anniston, AL 36202

RE: MUR 970

Dear Mr. Stewart:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that the Friends of Donald Stewart may be in violation of 2 U.S.C. §434(b) and 11 CFR §110.4(c)(2).

A summary of the evidence is as follows:

- 1) Mr. James H. Dennis, Sr. loaned the committee:
 - a) a black Buick from August 18 to August 21, 1978 for transportation of Senator Stewart and other from Birmingham to Montgomery for a meeting with black political figures;
 - b) a red Lincoln Continental for a trip from Birmingham to Anniston; and
 - c) a twin-engine airplane on five or six occasions.

The use of the vehicles constitute in-kind contributions from Mr. Dennis to the committee. The committee's failure to report the contributions is in violation of 2 U.S.C. §434(b).

- 2) Mr. Milton Turner and Mr. George Rush loaned their airplanes to the campaign. The use of the airplanes constitute contributions in-kind from Mr. Turner and Mr. Rush. No disclosure of these contributions is in violation of 2 U.S.C. §434(b).



3) Mr. James H. Dennis, Sr. made contributions to the committee totalling \$22,000 in the names of other individuals, of which \$11,000 was alleged to be in cash. The committee would, therefore, be in violation of 11 CFR §110.4(c)(2) for not "promptly" returning cash contributions in excess of \$100.

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 responses should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Judy Thedford, the staff member assigned to this matter, at 202/523-4529.

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

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

Sincerely,

William C. Oldaker
General Counsel

Mail 920 - Insured

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

1. The following services are 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:
James Stewart, Tech

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

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE addressee Authorized agent
Tom Bush

DATE OF DELIVERY
6-22-79

4. ADDRESS (Complete only if required)

5. POSTMARK
JUL 1979

6. UNABLE TO DELIVER BECAUSE

PS Form 3811, Apr 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

71 90 43 1 3 0 8 5 3



FEDERAL ELECTION COMMISSION

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

June 20, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Stephen Salter, Esq.
Groenendyke and Salter
Suite 500, Title Building
2030 3rd Avenue, North
Birmingham, AL 35203

RE: MUR 970

Dear Mr. Salter:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that your client, James H. Dennis, Sr. violated 2 U.S.C. §441a, §441f, §441g, and 11 CFR §110.4(c)(1).

A summary of the evidence is as follows:

- 1) Mr. James H. Dennis, Sr. made contributions totalling \$22,000 in the names of other individuals to the 1978 Stewart senatorial campaign; and contributions totalling \$12,000 in the names of other individuals to the 1978 Peck congressional campaign in violation of 2 U.S.C. §441a and §441f.
- 2) Mr. James H. Dennis, Sr. violated 2 U.S.C. §441a(a)(3) for making contributions aggregating more than \$25,000 in a calendar year.
- 3) Mr. James H. Dennis, Sr. loaned the 1978 Stewart campaign committee, Friends of Donald Stewart,
 - a) a black Buick from August 18 through August 21, 1978 for transportation of Senator Stewart and other from Birmingham to Montgomery for a meeting with black political figures;
 - b) a red Lincoln Continental for a trip from Birmingham to Anniston; and



c) a twin-engine airplane on five or six occasions.

The loan of these vehicles constitutes an in-kind contribution from Mr. Dennis and may exceed his contribution limitation as set forth in 2 U.S.C. §441a.

4) Mr. James H. Dennis, Sr. made contributions equaling \$11,000 in cash to the Friends of Donald Stewart in violation of 2 U.S.C. §441g and 11 CFR §110.4(c)(1).

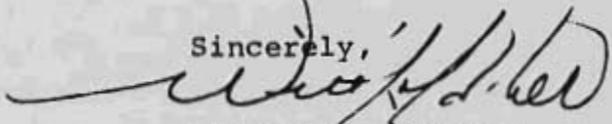
Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be made under oath.

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.

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

If you have any questions, please contact Judy Thedford at 202/523-4529.

Sincerely,



William C. Oldaker
General Counsel

cc: Mr. James H. Dennis, Sr.
2912 Lomb Avenue
Birmingham, AL 35208

PS Form 3811, Apr. 1977

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

Show to whom and date delivered

Show to whom, date, and address of delivery

RESTRICTED DELIVERY
Show to whom and date delivered

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

2. ARTICLE ADDRESSED TO:
M. James H. Senior, Jr.

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

James H. Senior, Jr.

4. DATE OF DELIVERY **POSTMARK**

5. ADDRESS (Complete only if requested):

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

770 The above

☆GPO: 1977-0-249-595

PS Form 3811, Apr. 1977

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

Show to whom and date delivered

Show to whom, date, and address of delivery

RESTRICTED DELIVERY
Show to whom and date delivered

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

2. ARTICLE ADDRESSED TO:
J. Stephen Seligson

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

J. Cordes

DATE OF DELIVERY **POSTMARK**

6/22/79 *JUN 22 1979*

5. ADDRESS (Complete only if requested):
J.H.S.

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

☆GPO: 1977-0-249-595

3) Mr. James H. Dennis, Sr. made contributions to the committee totalling \$22,000 in the names of other individuals, of which \$11,000 was alleged to be in cash. The committee would, therefore, be in violation of 11 CFR §110.4(c)(2) for not "promptly" returning cash contributions in excess of \$100.

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 responses should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Judy Thedford, the staff member assigned to this matter, at 202/523-4529.

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

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

Sincerely,

William C. Oldaker
General Counsel

9A
6-19-79

79040150862

RETURN RECEIPT REQUESTED

Mr. J. Stephen Salter, Esq.
Groenandyke and Salter
Suite 500, Title Building
2030 6rd Avenue, North
Birmingham, AL 35203

RE: MUR 970

Dear Mr. Salter:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that your client, James H. Dennis, Sr. violated 2 U.S.C. §441a, §441f, §441g, and 11 CFR §110.4(c)(1).

A summary of the evidence is as follows:

1) Mr. James H. Dennis, Sr. made contributions totalling \$22,000 in the names of other individuals to the 1978 Stewart senatorial campaign; and contributions totalling \$12,000 in the names of other individuals to the 1978 Peck congressional campaign in violation of 2 U.S.C. §441a and §441f.

2) Mr. James H. Dennis, Sr. violated 2 U.S.C. §441a(a)(3) for making contributions aggregating more than \$25,000 in a calendar year.

3) Mr. James H. Dennis, Sr. loaned the 1978 Stewart campaign committee, Friends of Donald Stewart,

a) a black Buick from August 18 through August 21, 1978 for transportation of Senator Stewart and other from Birmingham to Montgomery for a meeting with black political figures;

b) a red Lincoln Continental for a trip from Birmingham to Anniston; and

79019150853

c) a twin-engine airplane on five or six occasions.

The loan of these vehicles constitutes an in-kind contribution from Mr. Dennis and may exceed his contribution limitation as set forth in 2 U.S.C. §441a.

4) Mr. James H. Dennis, Sr. made contributions equaling \$11,000 in cash to the Friends of Donald Stewart in violation of 2 U.S.C. §441g and 11 CFR §110.4(c)(1).

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 made 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.

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

If you have any questions, please contact Judy Thedford at 202/523-4529.

Sincerely,

William C. Oldaker
General Counsel

cc: Mr. James H. Dennis, Sr.
2912 Lomb Avenue
Birmingham, AL 35208

6-17-79

50864



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
DATE: JUNE 19, 1979
SUBJECT: MUR 970 - Revised Letters to Respondents,
Memorandum from the GC dated 6-15-79;
Received in OCS 6-15-79; 1:41

The above-named document was circulated on a 24
hour no-objection basis at 11:00, June 18, 1979.

The Commission Secretary's Office has received
no objections to the revised letters to the respondents
as of 11:30 this date.

79010150865

June 15, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 970

Please have the attached Memo distributed to the
Commission on a 24 hour no-objection basis.

Thank you.

7 9 0 1 0 1 5 0 3 6 5



FEDERAL ELECTION COMMISSION

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

June 15, 1979

79 JUN 15 P 1:41

MEMORANDUM

TO: The Commissioners

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

SUBJECT: MUR 970

In accordance with the Commission's discussion of this matter at the June 12, 1979 meeting, revised letters to the respondents have been drafted and are attached for the Commission's approval.

79040:50857





FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. James Stewart, Jr., Treasurer
Friends of Donald Stewart
P.O. Box 2274
Anniston, AL 36202

RE: MUR 970

Dear Mr. Stewart:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that the Friends of Donald Stewart may be in violation of 2 U.S.C. §434(b) and 11 CFR §110.4(c)(2).

A summary of the evidence is as follows:

- 1) Mr. James H. Dennis, Sr. loaned the committee:
 - a) a red Buick from August 18 to August 21, 1978 for transportation of Senator Stewart and other from Birmingham to Montgomery for a meeting with black political figures;
 - b) a red Lincoln Continental for a trip from Birmingham to Anniston; and
 - c) a twin-engine airplane on five or six occasions.

The use of the vehicles constitute in-kind contributions from Mr. Dennis to the committee. The committee's failure to report the contributions is in violation of 2 U.S.C. §434(b).

- 2) Mr. Milton Turner and Mr. George Rush loaned their airplanes to the campaign. The use of the airplanes constitute contributions in-kind from Mr. Turner and Mr. Rush. No disclosure of these contributions is in violation of 2 U.S.C. §434(b).



3) Mr. James H. Dennis, Sr. made contributions to the committee totalling \$22,000 in the names of other individuals, of which \$11,000 was alleged to be in cash. The committee would, therefore, be in violation of 11 CFR §110.4(c)(2) for not "promptly" returning cash contributions in excess of \$100.

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 responses should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Judy Thedford, the staff member assigned to this matter, at 202/523-4529.

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

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

Sincerely,

William C. Oldaker
General Counsel

79040160869



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Stephen Salter, Esq.
Groenendyke and Salter
Suite 500, Title Building
2030 3rd Avenue, North
Birmingham, AL 35203

RE: MUR 970

Dear Mr. Salter:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that your client, James H. Dennis, Sr. violated 2 U.S.C. §441a, §441f, §441g, and 11 CFR §110.4(c)(1).

A summary of the evidence is as follows:

1) Mr. James H. Dennis, Sr. made contributions totalling \$22,000 in the names of other individuals to the 1978 Stewart senatorial campaign; and contributions totalling \$12,000 in the names of other individuals to the 1978 Peck congressional campaign in violation of 2 U.S.C. §441a and §441f.

2) Mr. James H. Dennis, Sr. violated 2 U.S.C. §441a(a)(3) for making contributions aggregating more than \$25,000 in a calendar year.

3) Mr. James H. Dennis, Sr. loaned the 1978 Stewart campaign committee, Friends of Donald Stewart,

a) a black Buick from August 18 through August 21, 1978 for transportation of Senator Stewart and other from Birmingham to Montgomery for a meeting with black political figures;

b) a red Lincoln Continental for a trip from Birmingham to Anniston; and



79010160870

c) a twin-engine airplane on five or six occasions.

The loan of these vehicles constitutes an in-kind contribution from Mr. Dennis and may exceed his contribution limitation as set forth in 2 U.S.C. §441a.

4) Mr. James H. Dennis, Sr. made contributions equaling \$11,000 in cash to the Friends of Donald Stewart in violation of 2 U.S.C. §441g and 11 CFR §110.4(c)(1).

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 made 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.

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

If you have any questions, please contact Judy Thedford at 202/523-4529.

Sincerely,

William C. Oldaker
General Counsel

cc: Mr. James H. Dennis, Sr.
2912 Lomb Avenue
Birmingham, AL 35208

79040160871

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
James H. Dennis, Sr.)
Friends of Donald Stewart)

MUR 970

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, certify that on June 12, 1979, the Commission, meeting in an executive session at which a quorum was present, determined by a vote of 5-0 to take the following actions in MUR 970:

1. Find reason to believe that James H. Dennis, Sr. violated 2 U.S.C. §§441a, 441f and 441g and 11 CFR §110.4(c) (1).
2. Find reason to believe that the Friends of Donald Stewart may have violated 2 U.S.C. §434(b) (2) and 11 CFR §110.4(c) (2).
3. Direct the Office of the General Counsel to redraft the letters attached to the General Counsel's May 21, 1979 report in this matter and circulate the amended letters to the Commission on a no-objection basis.

Commissioners Aikens, Friedersdorf, Harris, McGarry, and Tiernan voted affirmatively for the above determinations. Commissioner Thomson was not present at the time of the vote.

Attest:

6/12/79

Date

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

79040150872



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
DATE: JUNE 4, 1979
SUBJECT: OBJECTION - MUR 970 - First General Counsel's
Report dated 5-31-79; Received
in OCS 6-1-79, 7:40

The above-named document was circulated on a 48 hour
vote basis at 11:45, June 1, 1979.

Commissioner Thomson submitted an objection at 2:30,
June 4, 1979, thereby placing MUR 970 on the Executive
Session Agenda for Tuesday, June 12, 1979.

79043.50973

May 31, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 970

Please have the attached First General Counsel's Report on MUR 970 distributed to the Commission on a 48 hour tally basis.

Thank you.

79010150874

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

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT

79 JUN 1 A 7: 40

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION MAY 31 1979

MUR NO. 970
DATE COMPLAINT RECEIVED
BY OGC 5-10-79
STAFF
MEMBER Theford

SOURCE: Referral from the Department of Justice

RESPONDENT'S NAME: James H. Dennis, Sr.
Friends of Donald Stewart

RELEVANT STATUTE: 2 U.S.C. §§434(b)(2), 441a, 441f, 441g
11 CFR §110.4(c)(1) and (2)

INTERNAL REPORTS CHECKED: Donald Stewart
Friends of Donald Stewart
Carey Peck
Carey Peck for Congress

FEDERAL AGENCIES CHECKED:

BACKGROUND

On April 20, 1979, the U.S. Attorney's Office for the Northern District of Alabama forwarded to the General Counsel a referral regarding fifteen individuals whose names appeared on the disclosure reports for the 1978 campaign of Senator Donald Stewart (Attachment I). According to the referral, the individuals did not actually contribute to the campaign. Instead, it was alleged that James Dennis, a fundraiser for the campaign, contributed \$15,000, \$11,000 of which may have been contributed in cash, using the names of the fifteen individuals.

It was further alleged that Dennis lent the use of two (2) cars and an airplane. Milton Turner and George Rush were also alleged to have lent airplanes to the campaign without the committee having disclosed this on reports.

Attached to the referral was a copy of a newspaper article which appeared in the Birmingham News.

On May 10, 1979, additional information was forwarded to the Commission by the U.S. Attorney's office (Attachment II). According to the letter dated May 10, 1979, Mr. Salter, the attorney for James H. Dennis Sr., notified U.S. Attorney Brooke that Mr. Dennis had made 22 contributions totaling \$22,000 to the Stewart campaign in 1978. The contributor names used by Mr. Dennis, and the dates and amounts of the

contributions were also disclosed. Copies of Mr. Salter's letter and a Birmingham Post Herald news article were included in the May 10, 1979 letter. (See Attachment II).

On May 9, 1979, Mr. Salter forwarded to former Chairman Aikens a copy of his May 8, 1979 letter to U.S. Attorney Brooke and requested that "the propriety of a conciliation agreement" be brought before the Commission (Attachment III). Mr. Salter also phoned the Office of General Counsel on May 17, 1979 and requested that a meeting be arranged to discuss this matter.

Subsequently, on May 15, 1979, Counsel Salter submitted additional information to the Commission (Attachment IV). Enclosed in his letter was a copy of an article appearing in the Birmingham News which reported that Mr. Dennis announced he made contributions totalling \$12,000 in the names of other individuals to Carey Peck's 1978 congressional campaign; and that he used some of the same "phantom contributor" names he used in making illegal contributions to the Stewart senatorial campaign.

Additionally, Mr. James Stewart, treasurer of Friends of Donald Stewart, submitted a letter to the Commission on May 15, 1979 (Attachment V) stating that neither Senator Stewart, the Committee nor the treasurer were aware that the contributions were improper at the time they were received, and that the Committee refunded \$22,000 to Mr. Dennis on May 11, 1979 in accordance with 11 C.F.R. §103.3.

PRELIMINARY LEGAL ANALYSIS

In light of Mr. Salter's May 8, 1979 letter addressed to U.S. Attorney Brooke and his May 15, 1979 letter to former Chairman Aikens, it appears that Mr. James H. Dennis, Sr. is in violation of 2 U.S.C. §441a by making contributions totalling \$22,000 to the Stewart campaign and \$12,000 to the Peck Campaign in excess of the prescribed limits, and 2 U.S.C. §441f for making the contributions in the names of 22 other individuals to the Stewart campaign and in the names of 12 other persons to the Peck campaign.

With respect to the contributions to the Stewart campaign, the newspaper articles reporting interviews with several of the "contributors" and Mr. Dennis concur that the "contributors" were unaware of the use of their names for the illegal contributions. Senator Stewart's 1978 campaign committee reports were reviewed and disclosed the names of the individuals Mr. Dennis identified as having made contributions in their names. However, Mr. Dennis revealed that he made two \$1,000 contributions in the name of Melissa Dennis on February 2, 1978; the reports reflect a \$1,000 pledge by Melissa Dennis on August 11, 1977 and payment on February 22, 1978. The reports filed by Mr. Peck and his principal campaign committee, Carey Peck for Congress, were reviewed. However, without a complete list of the names used by Mr. Dennis, the review is inconclusive.

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Additionally, Mr. Dennis is also in violation of the \$25,000 yearly contribution limitation set forth in §441a(a)(3).

The April 20, 1979 referral also alleges that approximately \$11,000 of Mr. Dennis' contributions were made in cash. If the allegation is true, Mr. Dennis and the Stewart campaign committee, Friends of Donald Stewart, are in violation of 2 U.S.C. §441g and 11 CFR §110.4(c)(1); and 11 CFR §110.4(c)(2), respectively.

In addition, it was alleged that Mr. Dennis lent two cars and an airplane to the campaign. Under 2 U.S.C. §431(e) and 11 CFR §100.4(a)(1)(iii), the cost of the use of these vehicles would constitute an in-kind contribution from Mr. Dennis. In-kind contributions, such as these, are required to be reported by the campaign committee in accordance with 2 U.S.C. §434(b) and are subject to Mr. Dennis' contribution limitation as set forth in 2 U.S.C. §441a. Therefore, the total amount of Mr. Dennis' contributions to the Stewart campaign would be increased. The disclosure reports filed by Friends of Donald Stewart do not list in-kind contributions as such from Mr. Dennis.

Furthermore, the April 20, 1979 referral alleged that the Friends of Donald Stewart failed to report in-kind contributions from Milton Turner and George Rush. The in-kind contributions are alleged to be for the use of their airplanes. Both Mr. Turner and Mr. Rush were listed on the committee reports as having made contributions to the committee. However, no in-kind contributions were reported.

RECOMMENDATION

- 1) Find reason to believe that James H. Dennis, Sr. violated 2 U.S.C. §§441a, 441f and 441g and 11 CFR §110.4(c)(1).
- 2) Find reason to believe that the Friends of Donald Stewart may have violated 2 U.S.C. §434(b)(2) and 11 CFR §110.4(a)(2).
- 3) Send attached letters.

ATTACHMENTS:

- Letters
- I-4/20/79 Referral from Justice
- II-5/10/79 Additional Info from Justice
- III-5/9/79 Salter Letter
- IV-5/15/79 Salter Letter
- V-5/15/79 Stewart Letter

79010150877



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. James Stewart, Jr., Treasurer
Friends of Donald Stewart
P.O. Box 2274
Anniston, AL 36202

RE: MUR 970

Dear Mr. Stewart:

Based on information received from the United States Department of Justice, the Federal Election Commission has found reason to believe that the Friends of Donald Stewart may be in violation of 2 U.S.C. §434(b) and 11 CFR §110.4 (c)(2).

A summary of the evidence is as follows:

- 1) Mr. James H. Dennis, Sr. loaned the committee:
 - a) a black Buick from August 18 to August 21, 1978 for transportation of Senator Stewart and others from Birmingham to Montgomery for a meeting with black political figures;
 - b) a red Lincoln Continental for a trip from Birmingham to Anniston; and
 - c) a twin-engine airplane on five or six occasions.

The use of the vehicles constitute in-kind contributions from Mr. Dennis to the committee. The committee's failure to report the contributions is in violation of 2 U.S.C. §434(b).

- 2) Mr. Milton Turner and Mr. George Rush loaned their airplanes to the campaign. The use of the airplanes constitute contributions in-kind from Mr. Turner and Mr. Rush. No disclosure of these contributions is in violation of 2 U.S.C. §434(b).



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3) Mr. James H. Dennis, Sr. made contributions to the committee totalling \$22,000 in the names of other individuals, of which \$11,000 was alleged to be in cash. The committee would, therefore, be in violation of 11 CFR §110.4(c)(2) for not "promptly" returning cash contributions in excess of \$100.

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 responses should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Judy Thedford, the staff member assigned to this matter, at 202/523-4529.

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

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

Sincerely,

William C. Oldaker
General Counsel

7 0 1 0 1 6 0 8 7 9



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Stephen Salter, Esq.
Groenendyke and Salter
Suite 500, Title Building
2030 3rd Avenue, North
Birmingham, AL 35203

RE: MUR 970

Dear Mr. Salter:

Based on information received from the United States Department of Justice and the additional information which you have submitted, the Federal Election Commission has found reason to believe that your client, James H. Dennis, Sr. violated 2 U.S.C. §441a, §44f, §441g, and 11 CFR §110.4 (c) (1).

A summary of the evidence is as follows:

1) Mr. James H. Dennis, Sr. made contributions totalling \$22,000 in the names of other individuals to the 1978 Stewart senatorial campaign; and contributions totalling \$12,000 in the names of other individuals to the 1978 Peck congressional campaign in violation of 2 U.S.C. §441a and §441f.

2) Mr. James H. Dennis, Sr. violated 2 U.S.C. §441a(a)(3) for making contributions aggregating more than \$25,000 in a calendar year.

3) Mr. James H. Dennis, Sr. loaned the 1978 Stewart campaign committee, Friends of Donald Stewart,

a) a black Buick from August 18 through August 21, 1978 for transportation of Senator Stewart and other from Birmingham to Montgomery for a meeting with black political figures;

b) a red Lincoln Continental for a trip from Birmingham to Anniston; and





United States Department of Justice

UNITED STATES ATTORNEY
NORTHERN DISTRICT OF ALABAMA

200 FEDERAL COURTHOUSE
BIRMINGHAM, ALABAMA 35203

(205) 254-1785
FTS 229-1785

470
M. Brown
RECEIVED 10116
FEDERAL ELECTION
COMMISSION
ADDRESS REPLY TO
UNITED STATES ATTORNEY
AND REFER TO
INITIALS AND FILE NUMBER
'79 MAY 14 DEP/ 1:34

May 10, 1979

582362

William C. Oldaker
General Counsel
Federal Election Commission
1325 "K" Street, N.W.
Washington, D. C. 20460

Re: Confidential Referral of
Campaign Violations

Dear Mr. Oldaker:

On April 20th we forwarded certain information to you concerning possible FEC violations in the recent campaign of Senator Donald Stewart (D. Ala.). The allegation was that James Dennis, a local businessman, had made numerous contributions to the campaign in other person's names. At that time, it appeared that about fifteen thousand dollars in contributions were improperly given.

Mr. Dennis has now sent the attached letter to this office in which his attorney states that twenty-two such donations were made. We also enclose a newspaper article which was run on the front page of the Birmingham Post Herald this week.

It is hoped that this will facilitate your investigation.

Sincerely,

J. R. Brooks
J. R. BROOKS
United States Attorney

Attachment II pg 1

79040150982

19-0088

BLB

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 206, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

AREA CODE 205
TELEPHONE 251-661

May 8, 1979

Hon. J. R. Brooks
United States Attorney
Northern District of Alabama
Federal Courthouse
Birmingham, Alabama 35203

Attnetion: Bill Barnett

Re: James H. Dennis, Sr.

Dear Mr. Brooks:

I have been instructed by James H. Dennis, Sr. to clarify certain matters relating to campaign contributions made last year. We understand that your office may be interested in and supervising an investigation as to whether Mr. Dennis transgressed any Federal election regulations or laws in causing certain contributions to be made.

Mr. Dennis is interested in terminating any further confusion in this matter and has expressed a desire to see that no unnecessary investigative efforts are spent. He is also hopeful that by making full disclosure the individuals in whose names contributions appear to have been made will not be embarrassed or called into public ridicule.

As I have indicated to you in the past, Mr. Dennis is a rather different type of client with values that are not always easy to understand. His principal interest now is to put this matter to rest. For the above reasons he has intructed me to enclose the following list of persons in whose names he caused contributions to be made.

Respectfully,

GROENENDYKE AND SALTER

J. Stephen Salt

RECEIVED

JSS/mc
Encl.
cc: James H. Dennis, Sr.

MAY 9 1979

U. S. ATTORNEY
NORTHERN DISTRICT
OF ALABAMA

Attachment II pg 2

719010150883

Richard Morehart	\$ 1,000.00	9/11/78
Herman Mulvehill	1,000.00	9/11/78
Gary Dennis	1,000.00	9/11/78
Venice Owens	1,000.00	9/11/78
Charles Phillips	1,000.00	9/11/78
Nancy Moore	1,000.00	9/11/78
Wayne Moore	1,000.00	9/11/78
Helen Root	1,000.00	9/11/78
Melissa Dennis	1,000.00	9/11/78
Joel Martin	1,000.00	9/18/78
Joan Martin	1,000.00	9/18/78
Johnny Desmond	1,000.00	12/15/78
Jeff Kennedy	1,000.00	12/15/78
Joel Martin	1,000.00	12/15/78
John Thornton	1,000.00	12/15/78
Melissa Dennis	1,000.00	2/2/78
Melissa Dennis	1,000.00	2/2/78
John Lee	1,000.00	7/19/78
W. D. Root	1,000.00	7/25/78
Roberta Gurley	1,000.00	8/17/78
Rhonda Dennis	1,000.00	8/17/78
Terri Shadix	<u>1,000.00</u>	8/17/78

\$22,000.00

Attachment II pg. 3

790150884

79610150895

Dennis asks refund Stewart gets apology for illegal donations

By Frank Morring Jr.
and Stewart Lytle

Post-Herald Reporters

Birmingham heavy equipment dealer James H. Dennis yesterday informed U.S. Sen. Donald Stewart and U.S. Attorney J.R. Brooks that he illegally contributed \$22,000 to Stewart's 1978 election campaign.

Dennis, who could face a maximum penalty of \$25,000 or a year in prison or both for each of the 22 illegal \$1,000 contributions, apologized to Stewart "for any problems this has caused," and asked the senator to refund the money.

In a letter wired to Stewart in Washington late yesterday afternoon, Dennis listed 22 individual contributions and said he "supplied the funds for the contributions." Federal law limits political contributions to \$1,000 per election, and forbids giving contributions in the names of others.

A similar letter was sent to the U.S. Attorney's office in Birmingham, Dennis said.

"Hopefully by acknowledging to Sen. Stewart's campaign committee (the contributions) it will alleviate any further embarrassment to the senator as well as any further problems to the individuals that money was given without their knowledge," Dennis said in an interview yesterday.

Dennis said Stewart did not know the contributions from the 19 individuals on his list were illegal. Those individuals, two of whom had more than one \$1,000 contribution made in their names, were equally ignorant of the fact, Dennis said.

Stewart has been investigating reports he received illegal contributions from Dennis since newspaper reports to that effect appeared in mid-April. He said in Washington last night that he will ask the Federal Election Commission to study his case to see if regu-



Sen. Donald Stewart

lations covering illegal contributions can be tightened.

"I don't condone this sort of activity," Stewart said. "We started this investigation from the moment we learned of the allegations. It's unfortunate that it happened."

On April 12 Stewart asked his brother, James Stewart, to send a registered letter to each person on his list of contributors who had been identified as possibly not having made a contribution. James Stewart is chairman of

See APOLOGY, page A2

Attachment # pg. 4

Sheford 10142

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 206, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

RECEIVED
FEDERAL ELECTION
COMMISSION

AREA CODE 205
TELEPHONE 251-6666

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

MAY 16 AM 11:57

May 9, 1979

251-

Hon. Joan D. Aikens
Chairman
Federal Election Committee
1325 K Street N.W.
5th Floor
Washington, D. C. 20463

Re: James H. Dennis, Sr.

Dear Madam Chairman:

I am enclosing herewith a copy of a letter from this office dated May 8, 1979 to the Honorable J. R. Brooks, United States Attorney for the Northern District of Alabama, and its enclosure. I am also enclosing copies of the Birmingham Post Herald (May 9, 1979) and an article appearing in the first edition of The Birmingham News (May 9, 1979).

While I am certain you have been made aware of these matters by the date you receive this letter, I request on behalf of James H. Dennis, Sr. that you bring before the Commission the propriety of a conciliation agreement as provided in Title 2 of the United States Code, §437. In the interim, if you have a need for any additional information, including a statement from Mr. Dennis, please do not hesitate to contact me at your convenience.

Please know that we will appreciate your prompt attention in this area of mutual concern.

Yours very truly,

GROENENDYKE AND SALTER

[Signature]
J. Stephen Salter

JSS/mc
Encl.
cc: Mr. James H. Dennis, Sr.

7 9 0 1 0 1 5 0 8 8 6

Attachment III pg 1

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 500, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

AREA CODE 205
TELEPHONE 251-4444

May 8, 1979

Hon. J. R. Brooks
United States Attorney
Northern District of Alabama
Federal Courthouse
Birmingham, Alabama 35203

Attention: Bill Barnett

Re: James H. Dennis, Sr.

Dear Mr. Brooks:

I have been instructed by James H. Dennis, Sr. to clarify certain matters relating to campaign contributions made last year. We understand that your office may be interested in and supervising an investigation as to whether Mr. Dennis transgressed any Federal election regulations or laws in causing certain contributions to be made.

Mr. Dennis is interested in terminating any further confusion in this matter and has expressed a desire to see that no unnecessary investigative efforts are spent. He is also hopeful that by making full disclosure the individuals in whose names contributions appear to have been made will not be embarrassed or called into public ridicule.

As I have indicated to you in the past, Mr. Dennis is a rather different type of client with values that are not always easy to understand. His principal interest now is to put this matter to rest. For the above reasons he has instructed me to enclose the following list of persons in whose names he caused contributions to be made.

Respectfully,

GROENENDYKE AND SALTER

J. Stephen Salter

JSS/mc
Encl.

cc: James H. Dennis, Sr.

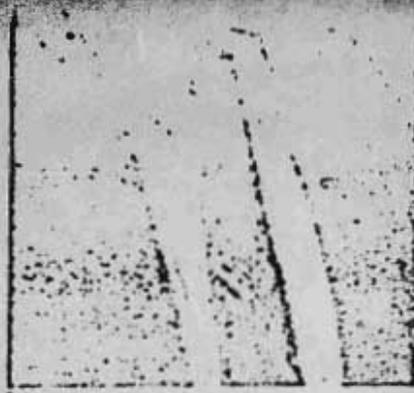
Attachment II pg 2

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Richard Morehart	\$ 1,000.00	9/11/78
Herman Mulvehill	1,000.00	9/11/78
Gary Dennis	1,000.00	9/11/78
Venice Owens	1,000.00	9/11/78
Charles Phillips	1,000.00	9/11/78
Nancy Moore	1,000.00	9/11/78
Wayne Moore	1,000.00	9/11/78
Helen Root	1,000.00	9/11/78
Melissa Dennis	1,000.00	9/11/78
Joel Martin	1,000.00	9/18/78
Joan Martin	1,000.00	9/18/78
Johnny Desmond	1,000.00	12/15/78
Jeff Kennedy	1,000.00	12/15/78
Joel Martin	1,000.00	12/15/78
John Thornton	1,000.00	12/15/78
Melissa Dennis	1,000.00	2/2/78
Melissa Dennis	1,000.00	2/2/78
John Lee	1,000.00	7/19/78
W. D. Root	1,000.00	7/25/78
Robertta Gurley	1,000.00	8/17/78
Rhonda Dennis	1,000.00	8/17/78
Terri Shadix	<u>1,000.00</u>	8/17/78
	\$22,000.00	

Attachment II pg. 3



TOM FULLMAN
...Material witness

Hoover policeman, who former associates say quit the Bessemer Police Department "in disgust" upon election of Max Williams as public safety commissioner, was being held today in connection with last week's bombing at Bessemer City Hall.

Thomas B. Fullman, 33, of 207 3rd Ave., Midfield was placed in custody at Jefferson County Jail in Bessemer at about 7:50 p.m. Tuesday.

No charge was immediately filed, and authorities were not saying if any would be. Fullman is being held "as a material witness."

Alabama Atty. Gen. Charles Graddick, called into the case Sunday, said

new developments are expected today that will crack the case open.

It has been a week since the early-morning blast killed Bessemer Police Lt. Clifford Hill, 48, and critically injured Williams and Gene Lint, executive secretary to Mayor Ed Porter. The bomb came to Williams' office in last Wednesday's morning mail.

FULLMAN'S knowledge of the bombing—or any possible role he may have played—remains unclear.

"We've interviewed people all day, and one person (Fullman) turned out to be a material witness," Graddick said. "We are continuing the investigation

and hope to get it forth."

Authorities have been subjected

This story reports by Ne Wayne Wright Kilpatrick, D and Frances S

federal grand in Birmingham

Attorneys in motion today their client. C was brought allows district

Dennis apologizes to Stewart, asks \$22,000 refund

News 5-9-79

BY THE ASSOCIATED PRESS
A heavy-equipment dealer has told Sen. Donald Stewart, D-Ala., and a federal prosecutor he illegally contributed \$22,000 to Stewart's 1978 campaign.

James H. Dennis of Birmingham apologized Tuesday to Stewart "for any problems this has caused" and asked the senator to refund the money.

Dennis could face a maximum penalty of \$25,000 or a year in prison or both on each of the 22 contributions.

In a letter wired to Stewart in Washington, Dennis listed 22 individual gifts and said he "supplied the funds for the contributions." Federal law limits political contributions to \$1,000 per election and forbids making donations in the names of others.

learned of the allegations. It's unfortunate that it happened."

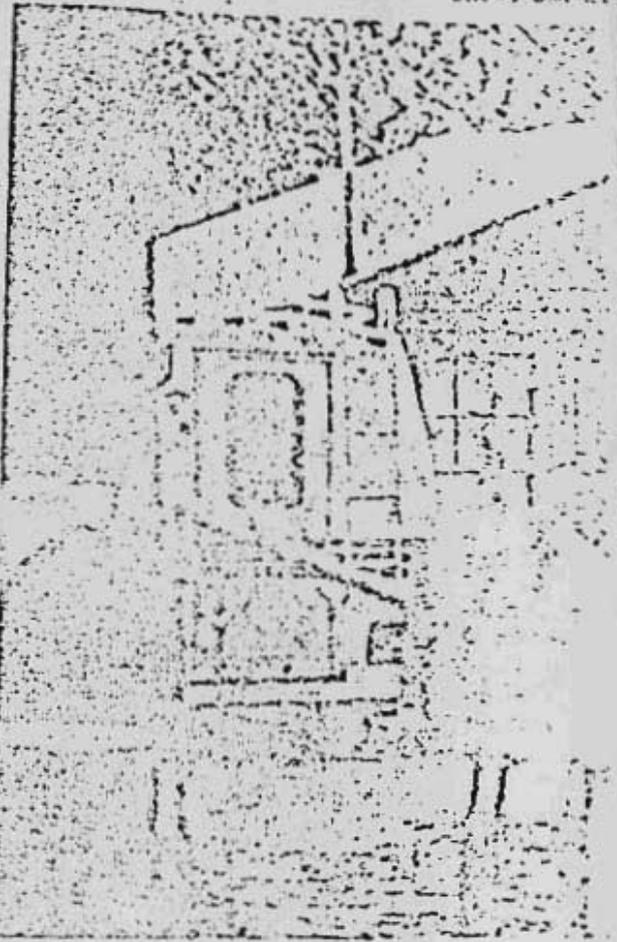
DENNIS SAID he knew contributions were limited to \$1,000 but said he did not know it was illegal to make contributions in the name of another. "My understanding of the law at that time was that up to \$1,000 could be contributed in an individual's name per segment of a senatorial campaign," he said.

He said the individuals involved were not contacted and he was not certain if they supported Stewart.

One person on the list is Herman Mulvehill, whose Cups Coal Co. failed to supply coal to the Tennessee Valley Authority under a \$45 million contract obtained by coal broker Louis Bethune.

DENNIS ALSO has been linked with Mulvehill in a \$5.5 million lawsuit filed against Dennis and his Dennis Mining Equipment and Supply Co. by Itel Capital Corp., San Francisco. The suit charges Dennis cost the California company more than \$700,000 by misrepresenting facts in his business dealings. One of the deals listed in the Itel suit involved Mulvehill.

Dennis said the U.S. attorney's office in Birmingham is investigating his dealings with Itel. He also is under federal investigation for possible arson in connection with a New Year's fire at his business this year, and for possible tax law violations, he said.



Tom Fullman's Mi

Amin's troops in

SOROTI, Uganda (AP) — Idi Amin's troops, in one vengeance in this northeast Ugandan town, stopped a train, civilians and shot about 50 of them beside the tracks, railwe

They said Amin's men ordered 41 passengers, most of down under the mango trees near the Soroti station, then sta

They said four young women hiding in a nearby toilet girls were kidnapped by the killers.

Reporters who reached Soroti after it was occupied by nian troops and the new Ugandan government's soldiers in a cassava patch near the looted, bullet-marked station at 11

Prevailing wind
Attachments II pg 4

Dennis asks refund Stewart gets apology for illegal donations

By Frank Moring Jr.
and Stewart Lytle

Post-Herald Reporters

Birmingham heavy equipment dealer James H. Dennis yesterday informed U.S. Sen. Donald Stewart and U.S. Attorney J.R. Brooks that he illegally contributed \$22,000 to Stewart's 1978 election campaign.

Dennis, who could face a maximum penalty of \$25,000 or a year in prison or both for each of the 22 illegal \$1,000 contributions, apologized to Stewart "for any problems this has caused," and asked the senator to refund the money.

In a letter wired to Stewart in Washington late yesterday afternoon, Dennis listed 22 individual contributions and said he "supplied the funds for the contributions." Federal law limits political contributions to \$1,000 per election, and forbids giving contributions in the names of others.

A similar letter was sent to the U.S. Attorney's office in Birmingham, Dennis said.

"Hopefully by acknowledging to Sen. Stewart's campaign committee (the contributions) it will alleviate any further embarrassment to the senator as well as any further problems to the individuals that money was given without their knowledge," Dennis said in an interview yesterday.

Dennis said Stewart did not know the contributions from the 19 individuals on his list were illegal. Those individuals, two of whom had more than one \$1,000 contribution made in their names, were equally ignorant of the fact, Dennis said.

Stewart has been investigating reports he received illegal contributions from Dennis since newspaper reports to that effect appeared in mid-April. He said in Washington last night that he will ask the Federal Election Commission to study his case to see if regu-



Sen. Donald Stewart

lations covering illegal contributions can be tightened.

"I don't condone this sort of activity," Stewart said. "We started this investigation from the moment we learned of the allegations. It's unfortunate that it happened."

On April 12 Stewart asked his brother, James Stewart, to send a registered letter to each person on his list of contributors who had been identified as possibly not having made a contribution. James Stewart is chairman of
See APOLOGY, page A2

W: HART
Steph
10/165

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 900, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

RECEIVED
FEDERAL ELECTION
COMMISSION

AREA CODE 203
TELEPHONE 221-6666

'79 MAY 21 AM 10:52

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

May 15, 1979

Hon. Joan D. Aikens,
Chairman
Federal Election Committee
1325 K Street N.W.
5th Floor
Washington, D. C. 20463

902416

Re: James H. Dennis, Sr.

Dear Madam Chairman:

I am enclosing herewith a copy of an article appearing in The Birmingham News (May 10, 1979) as additional information for you and your Committee in considering the matters regarding Mr. Dennis and the contributions made at his behest in the Fall of 1978.

Respectfully yours,

GROENENDYKE AND SALTER

J. Stephen Salter
J. Stephen Salter

JSS/mc
Encl.
cc: Mr. James H. Dennis, Sr.

79040160892

Attachment IV pg'

Dennis: Used phantom names in gifts to Peck

BY ANDREW KILPATRICK

News staff writer

Controversial Birmingham coal supply salesman James Dennis told *The Birmingham News* Wednesday he gave \$12,000 in other people's names to the campaign of California's Cary Peck.

Dennis said he gave the money even though \$1,000 is the legal limit for an individual for any given election.

"I thought you could give \$1,000 in each individual's name — honest to God," Dennis said Wednesday.

Cary Peck, the son of actor Gregory Peck, narrowly lost his bid for a congressional seat from California last year. He could not be reached for comment Wednesday.

THE REVELATION that Dennis contributed to Peck in other people's names, came a day after Dennis notified Alabama's Sen. Donald Stewart that he has contributed \$22,000 to his campaign also in other people's names.

Dennis said he used some of the same names he used as phantom contributors to the Stewart campaign, as contributors to Peck's campaign.

Dennis said he contributed to both Stewart and Peck because he wanted to be generous to politicians he admires.

Dennis said neither Stewart nor Peck knew of his largess.

Asked if he has notified Peck of the \$12,000 in contributions, Dennis said he had not, but he soon would.

"I plan to write a letter to Cary Peck, too. I've got to do one thing at a time," he said.

Dennis, who has given \$10,000 to the City of Birmingham and \$10,000 to the *Post-Herald's* Goodfellows says, "If I like somebody or some cause, I give to it."

However, it is a violation of Federal Election Commission law to give more than \$1,000, and it is a violation to contribute to a politician's campaign in someone else's name.

Dennis could face a maximum of a year in prison and a fine, or both, for of the 34 phantom contributions he has mentioned.

An FEC spokesman Wednesday would not comment about whether there is an investigation of the Dennis matter, but said that a formal complaint has to be filed to compel an FEC investigation.

79040160893

Attachment IV pg 2

Donald Stewart
U.S. Senate

NO. MUR 970

Thesford 10167

RECEIVED
FEDERAL ELECTION
COMMISSION

'79 MAY 21 AM 10:24 May 15, 1979

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

902426

Dear Sirs:

As a result of recent newspaper articles detailing certain activities of a Mr. James Dennis, the Friends of Donald Stewart Committee conducted a thorough and intensive inquiry into the legality and propriety of certain contributions. Among the steps undertaken was a letter, attached as Exhibit 1, to Mr. James Dennis requesting any information about, among other things, contributions made by him in the name of another. We received his letter, attached as Exhibit 2, in response. In that letter he lists 22 contributions for which he acknowledges that he supplied the funds. At the time those contributions were received, neither the Committee, Senator Stewart, nor I knew that Mr. Dennis provided the funds. Likewise we did not know that the contributions were in any way improper.

The Committee also received letters from all but three of the individuals listed in Mr. Dennis' letter stating that they did not make the contributions attributed to them from their own funds.

We have determined that pursuant to 11 CFR Section 103.3 the contributions must be returned and that they should be returned to Mr. Dennis. Accordingly, we have sent him a check in the amount of \$22,000 dated May 11, 1979. We have no reason to believe that any contributions other than those referred to above were improper.

We understand that Common Cause has called your attention to news stories containing the allegations of improper contributions to this Committee. This experience demonstrates that improper contributions may be received by a committee without any

79040150895

P. O. Box 2274
Anniston, Alabama 36202

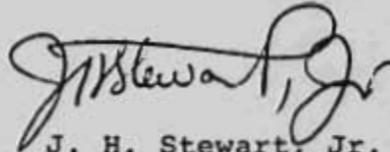
Telephone (205) 237-9436

Attachment V pg 1

Federal Election Commission
May 15, 1979
Page Two

knowledge of their improper nature. To the extent that the Federal Election Commission can tighten its requirements regarding contributor disclosure so as to prevent this from happening in the future, we wholeheartedly join with Common Cause in supporting those changes.

Sincerely,



J. H. Stewart, Jr.
Treasurer
Friends of Donald Stewart

JHSjr:kc

Enclosures

79040150896

Attachment I pg 2

**Donald
Stewart**
U.S. Senate

EXHIBIT 1

May 2, 1979

Mr. James Dennis
2912 Lomb Avenue
Birmingham, Alabama 35208

Dear Mr. Dennis:

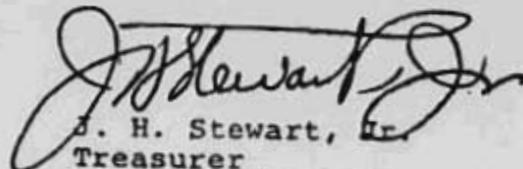
As you know, there has been recent newspaper articles alleging that you made contributions to the Friends of Donald Stewart Campaign Committee in other peoples' names. We are undertaking an investigation to determine whether there is any truth to those allegations.

We would appreciate it if you would review the enclosed list of contributors and identify for us (a) any contributions which were made by you in the name of another or (b) any contributions which were made by individuals from money loaned to them by you for that purpose.

We believe we have accurately reported all contributions either monetary or in-kind. Please advise us if there were any contributions, monetary or in-kind, which you made to the Campaign which have not been reported.

I would appreciate it if you could give this your immediate attention.

Sincerely,



J. H. Stewart, Jr.
Treasurer
Friends of Donald Stewart
Campaign Committee

JHSjr:kc
cc: Mr. Richard Groenendyke, Jr.
Enclosures

P O Box 2274
Anniston, Alabama 36202

Telephone (205) 237-9436



Attachment V pg. 3

79010150897

U S. Senator Donald W. Stewart
 110 Russell Senate Office Building
 Washington, D. C. 20510

Dear Senator Stewart:

In response to your recent letter, this is to advise that I supplied the funds for the contributions made to your campaign election committee in the names of the following individuals on the dates and for the amounts listed:

Richard Morehart	\$1,000.00	9/11/78
Herman Mulvehill	1,000.00	9/11/78
Gary Dennis	1,000.00	9/11/78
Venice Owens	1,000.00	9/11/78
Charles Phillips	1,000.00	9/11/78
Nancy Moore	1,000.00	9/11/78
Wayne Moore	1,000.00	9/11/78
Helen Root	1,000.00	9/11/78
Melissa Dennis	1,000.00	9/11/78
Joel Martin	1,000.00	9/18/78
Joan Martin	1,000.00	9/18/78
Johnny Desmond	1,000.00	12/15/78
Jeff Kennedy	1,000.00	12/15/78
Joel Martin	1,000.00	12/15/78
John Thornton	1,000.00	12/15/78
Melissa Dennis	1,000.00	2/2/78
Melissa Dennis	1,000.00	2/2/78
John Lee	1,000.00	7/19/78
W. D. Root	1,000.00	7/25/78
Robert Gurley	1,000.00	8/17/78
Rhonda Dennis	1,000.00	8/17/78
Terri Shadix	1,000.00	8/17/78

79040150898

Attachment I pg 4

U. S. Senator Donald W. Stewart
May 8, 1979
Page Two

I would request these funds be returned to me since I now am aware same could be contrary to the regulations governing campaign contributions. I know neither you nor your committee were aware of my funding of these contributions and I am sorry for any problems this has caused.

Sincerely,



JAMES H. DENNIS, SR.

79040160899

JHD, Sr.

Attachment I pg. 5

Dennis asks refund

Stewart gets apology for illegal donations

By Frank Moring Jr.
and Stewart Lytle

Post-Herald Reporters

Birmingham heavy equipment dealer James H. Dennis yesterday informed U.S. Sen. Donald Stewart and U.S. Attorney J.R. Brock that he illegally contributed \$22,000 to Stewart's 1978 election campaign.

Dennis, who could face a maximum penalty of \$25,000 or a year in prison or both for each of the 22 illegal \$1,000 contributions, apologized to Stewart "for any problems this has caused," and asked the senator to refund the money.

In a letter wired to Stewart in Washington late yesterday afternoon, Dennis listed 22 individual contributions and said he "supplied the funds for the contributions." Federal law limits political contributions to \$1,000 per election, and forbids giving contributions in the names of others.

A similar letter was sent to the U.S. Attorney's office in Birmingham, Dennis said.

"Hopefully by acknowledging to Sen. Stewart's campaign committee (the contributions) it will alleviate any further embarrassment to the senator as well as any further problems to the individuals that money was given without their knowledge," Dennis said in an interview yesterday.

Dennis said Stewart did not know the contributions from the 19 individuals on his list were illegal. Those individuals, two of whom had more than one \$1,000 contribution made in their names, were equally ignorant of the fact, Dennis said.

Stewart has been investigating reports he received illegal contributions from Dennis' store newspaper reports to that effect appeared in mid-April. He said in Washington last night that he will ask the Federal Election Commission to study his case to see if regu-



Sen. Donald Stewart

lations covering illegal contributions can be tightened.

"I don't condone this sort of activity," Stewart said. "We started the investigation from the moment we learned of the allegations. It's unfortunate that it happened."

On April 18 Stewart asked his brother, James Stewart, to send a registered letter to each person on his list of contributors who had been identified as possibly not having made a contribution. James Stewart is chairman of

See APOLOGY, page A2

Attachment II pg 6

Apology

From page A1 of the Birmingham Post-Herald.

"Friends of Donald Stewart," the senator's campaign organization.

The registered letters, which included a copy of the canceled check or money order bearing the recipient's name, asked the recipient if he or she made the contribution.

Stewart said he has heard from only two of those contacted. Both said they did not make the contribution.

The senator then asked his campaign committee to contact Dennis to confirm the list. The letter Dennis sent yesterday was written confirmation of verbal confirmation given last week, Stewart said.

Stewart said his campaign committee has now complied with all federal election commission requirements and is preparing to return the money to Dennis.

The senator said his campaign had between 1,200 and 1,500 individual contributors, and that it was impossible to check them all.

One of the individuals Dennis confirmed did not make a contribution was W.D. Root, a Pleasant Grove service station operator. Root would not comment on Dennis' action.

"I'd rather not be involved with it," Root said. "Just let him carry on with what he's doing."

Another individual on Dennis' list is Herman Mulvehill, whose Cops Coal Co. failed to supply coal to the Tennessee Valley Authority under a 1945 contract obtained by coal broker Louis Bethune.

Dennis has also been linked with Mulvehill in a \$5.5 million lawsuit filed against Dennis and his Dennis Mining Equipment and Supply Co. by Itel Capital Corp. of San Francisco. The suit charges Dennis cost the California company more than \$700,000 by misrepresenting facts in his business dealings. One of the deals listed in the Itel suit involved Mulvehill.

Dennis said that the U.S. Attorney's office in Birmingham is investigating his dealings with Itel. He is also under federal investigation for arson in connection with a New Year's fire at his business this year, and for possible tax law violations, he said.

"I am aware that there are several investigations of me under way in the

U.S. Attorney's office," Dennis said. "In order to insure proper clarification of all cases being investigated, and to be sure that innocent people will not be involved in other investigations, I am trying to clarify to the U.S. Attorney's office what charges I may possibly be guilty of, and to fully and responsibly defend the charges that I am innocent of."

"I have today instructed my attorneys to forward a letter to the U.S. Attorney's office outlining the alleged illegal campaign contributions."

Dennis said he knew contributions were limited by federal law to \$1,000 per election, but he said he did not know it was illegal to make contributions in the name of another. "My understanding of the law at that time was that up to \$1,000 could be contributed in an individual's name per segment of a senatorial campaign."

The individuals involved were not contacted, Dennis said, and he was not certain if they supported Stewart.

"None of these people were ever aware (of the contributions in their name)," Dennis said. "In fact, I was called and questioned by some of the individuals when the campaign contributions were listed in the newspapers. I instructed them not to worry about it and they didn't seem too concerned about it at the time."

"I can't say truthfully whether they supported him. I never asked them."

Among those on the list were Dennis' ex-wife, Melissa Dennis, his brother and sister-in-law, "acquaintances" and employees and their spouses.

All of the contributions Dennis listed were for \$1,000 and were made in 1972. The names in which they were made and the dates they were made are:

- Richard Morehart, Sept. 11; Herman Mulvehill, Sept. 11; Gary Dennis, Sept. 11; Venice Owens, Sept. 11; Charles Phillips, Sept. 11; Nancy Moore, Sept. 11; Wayne Jacobs, Sept. 11; Helen Root, Sept. 11; Melissa Dennis, Sept. 11; Joel Martin, Sept. 13; Joan Martin, Sept. 13; Johnny Desmond, Dec. 15; Jeff Kennedy, Dec. 15; Joel Martin, Dec. 15; John Thornton, Dec. 15; Melissa Dennis, two contributions, Feb. 2; John Lee, July 19; W.D. Root, July 25; Roberts Gurley, Aug. 17; Rhonda Dennis, Aug. 17, and Terri Shadix, Aug. 17.

79040160901

attachment I pg 7

66-10284

mur 990
Shedford

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 504, THE BUILDING
2220 2ND AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

ROBERT A. GROENENDYKE, JR.
& STEPHEN SALTER

AREA CODE 205
TELEPHONE 331-0000

June 4, 1979

Hon. William Clyde Oldaker
General Counsel
Federal Election Committee
1325 K Street, N.W., 7th Floor
Washington, D. C. 20463

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
JUN 11 1979

Re: James H. Dennis, Sr.

Dear Mr. Oldaker:

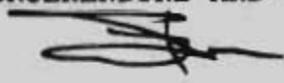
I want to thank you again for your courtesy in meeting with Mr. Dennis and myself on June 1, 1979. As you requested, I am enclosing herewith certain additional information to facilitate closure in the investigation and disposition of certain apparent violations by Mr. Dennis.

1. Copies of cashier's checks secured by Mr. Dennis for contributions to the campaign of Mr. Cary Peck of California.
2. An affidavit by James H. Dennis, Sr. regarding certain non-monetary support rendered to Hon. Donald Stewart during his campaign.
3. Copy of check in amount of \$30,000.00 offered to but refused by Hon. Donald Stewart.
4. An affidavit of James H. Dennis, Sr. regarding his source of funds utilized to acquire the cashier's checks in paragraph 1 above and those funds contributed to the campaign of Donald Stewart.

Please feel free to call me if you need any additional information to resolve these areas of mutual concern. We trust that we will have your continued cooperation in bringing this matter to a close through the vehicle of a Conciliation Agreement.

Respectfully,

GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc
cc: James H. Dennis, Sr.
Encl.

79040160902

STATE OF ALABAMA)
 JEFFERSON COUNTY)

AFFIDAVIT

Before me, the undersigned authority in and for said County and State, personally appeared James H. Dennis, Sr., who being by me duly sworn doth depose and says as follows:

My name is James H. Dennis, Sr. and I am a resident of Jefferson County, Alabama.

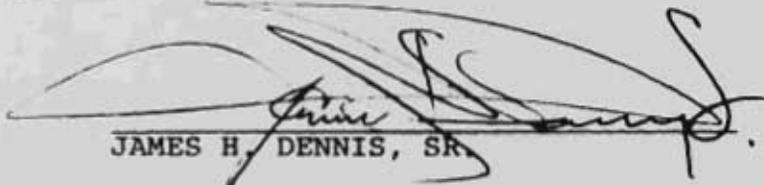
I make this affidavit for the purpose of making known the circumstances surrounding my providing or causing to be provided certain non-monetary support to Hon. Donald Stewart during his election campaign for the United States Senate.

I had come to know Senator Stewart and his family in a social setting and had committed to support his election to the United States Senate because of my respect for his abilities and dedication.

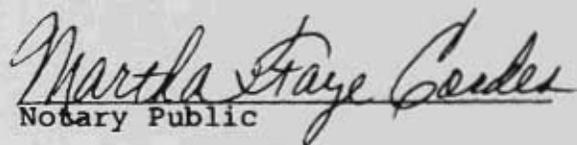
On one occasion, the exact date I cannot recall, I learned that Senator Stewart was having difficulties with his car. When we were unable to start the car with battery cables, etc., I loaned him a red Lincoln Continental Mark V. I understand he drove this vehicle from Birmingham to Anniston, Alabama and then returned from Anniston to Birmingham, Alabama the same day.

On another occasion, the exact date I cannot recall, I was in Montgomery, Alabama where Senator Stewart was having a fund raising dinner. I had leased an airplane for my travel. When I learned that Senator Stewart and his family were very tired and exhausted from the intense, ongoing campaign travels, I offered he and his family a return flight from Montgomery, Alabama, in the leased aircraft rather than his attempting to drive any automobile. I instructed the pilot to make a brief detour from my intended Montgomery to Birmingham, Alabama destination to take the Senator and his family to Anniston. This occurred on only this one occasion and was motivated by concern for his welfare and safety.

This the 4th day of June, 1979.


 JAMES H. DENNIS, SR.

Sworn to and subscribed before me
 this the 4th day of June, 1979.


 Notary Public

STATE OF ALABAMA)
 JEFFERSON COUNTY)

AFFIDAVIT

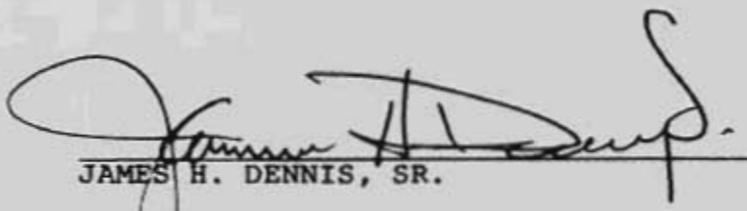
Before me, the undersigned authority in and for said County and State, personally appeared James H. Dennis, Sr., who being by me duly sworn doth depose and says as follows:

My name is James H. Dennis, Sr., and I am a resident of Jefferson County, Alabama.

I make this affidavit for the purpose of making known the source of funds utilized by me in making and causing to be made certain contributions to the campaigns of Honorable Donald Stewart and Mr. Cary Peck.

I utilized corporate funds of Dennis Mining Supply and Equipment, Inc., an Alabama corporation, to acquire the cashier's checks used to make all contributions to the campaigns of both Honorable Donald Stewart and Mr. Cary Peck.

This the 4th day of June, 1979.


 JAMES H. DENNIS, SR.

Sworn to and subscribed before me this the 4th day of June, 1979.


 Notary Public



FEDERAL ELECTION COMMISSION

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

No. 1099927 ⁶¹²¹/₂₇₀

Purchaser

THE FIRST NATIONAL BANK OF BIRMINGHAM
AN ALABAMA BANCORPORATION AFFILIATE
BIRMINGHAM, ALABAMA 35288

Donnie Mining - Loan

Date

Nov 29

19 **78**

Pay To The Order Of

50905
0160905

Donald Stewart

CASHIER'S CHECK

[Signature]
NON NEGOTIABLE
Authorized Signature



08 808
Purchaser



THE FIRST NATIONAL BANK OF BIRMINGHAM
AN ALABAMA BANK CORPORATION AFFILIATE
BIRMINGHAM, ALABAMA 35288

No. 1083645

Mike Chancey

Date November 14, 1973

Pay To The Order Of

ONE THOUSAND DOLLARS

\$1,000.00***

CASHIER'S CHECK

Cary Peck for Congress

CUSTOMER'S COPY
NON NEGOTIABLE

Authorized Signature

00 808
Purchaser



THE FIRST NATIONAL BANK OF BIRMINGHAM
AN ALABAMA BANK CORPORATION AFFILIATE
BIRMINGHAM, ALABAMA 35288

No. 1083647

Monica Chancey

Date November 14, 1973

Pay To The Order Of

ONE THOUSAND DOLLARS

\$1,000.00***

CASHIER'S CHECK

Cary Peck for Congress

CUSTOMER'S COPY
NON NEGOTIABLE

Authorized Signature

00 808
Purchaser



THE FIRST NATIONAL BANK OF BIRMINGHAM
AN ALABAMA BANK CORPORATION AFFILIATE
BIRMINGHAM, ALABAMA 35288

No. 1083646

Richard Moberg

Date November 14, 1973

Pay To The Order Of

ONE THOUSAND DOLLARS

\$1,000.00

CASHIER'S CHECK

Cary Peck for Congress

CUSTOMER'S COPY
NON NEGOTIABLE

Authorized Signature

00 808
chaser



THE FIRST NATIONAL BANK OF BIRMINGHAM
AN ALABAMA BANK CORPORATION AFFILIATE
BIRMINGHAM, ALABAMA 35288

No. 1083648 ⁶¹⁻¹₆₂₀

Cary Henley

Date November 14, 1973

Pay To The Order Of

ONE THOUSAND DOLLARS

\$1,000.00 *****

CASHIER'S CHECK

Cary Peck for Congress

CUSTOMER'S COPY
NON NEGOTIABLE

Authorized Signature

00 808
chaser



THE FIRST NATIONAL BANK OF BIRMINGHAM
AN ALABAMA BANK CORPORATION AFFILIATE
BIRMINGHAM, ALABAMA 35288

No. 1083649 ⁶¹⁻¹₆₂₀

Cary Henley

Date November 14, 1973

Pay To The Order Of

ONE THOUSAND DOLLARS

\$1,000.00 *****

CASHIER'S CHECK

Cary Peck For Congress

CUSTOMER'S COPY
NON NEGOTIABLE

Authorized Signature

79040150909
GROENENDYKE AND SALTER

ATTORNEYS AT LAW

SUITE 200, TITLE BUILDING

2020 3RD AVENUE, NORTH

BIRMINGHAM, ALABAMA 35203

Hon. William Clyde Oldaker
General Counsel
Federal Election Committee
1325 K Street, N.W., 7th Floor
Washington, D. C. 20463

HAND DELIVERED

Donald Stewart
U.S. Senate

RECEIVED
FEDERAL ELECTION
COMMISSION

ERC
10167

'79 MAY 21 AM 10:24 May 15, 1979

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

902426

Dear Sirs:

As a result of recent newspaper articles detailing certain activities of a Mr. James Dennis, the Friends of Donald Stewart Committee conducted a thorough and intensive inquiry into the legality and propriety of certain contributions. Among the steps undertaken was a letter, attached as Exhibit 1, to Mr. James Dennis requesting any information about, among other things, contributions made by him in the name of another. We received his letter, attached as Exhibit 2, in response. In that letter he lists 22 contributions for which he acknowledges that he supplied the funds. At the time those contributions were received, neither the Committee, Senator Stewart, nor I knew that Mr. Dennis provided the funds. Likewise we did not know that the contributions were in any way improper.

The Committee also received letters from all but three of the individuals listed in Mr. Dennis' letter stating that they did not make the contributions attributed to them from their own funds.

We have determined that pursuant to 11 CFR Section 103.3 the contributions must be returned and that they should be returned to Mr. Dennis. Accordingly, we have sent him a check in the amount of \$22,000 dated May 11, 1979. We have no reason to believe that any contributions other than those referred to above were improper.

We understand that Common Cause has called your attention to news stories containing the allegations of improper contributions to this Committee. This experience demonstrates that improper contributions may be received by a committee without any

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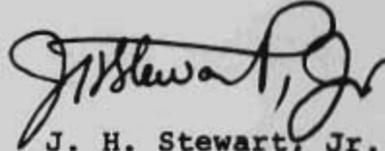
P. O. Box 2274
Anniston, Alabama 36202

Telephone (205) 237-9436

Federal Election Commission
May 15, 1979
Page Two

knowledge of their improper nature. To the extent that the Federal Election Commission can tighten its requirements regarding contributor disclosure so as to prevent this from happening in the future, we wholeheartedly join with Common Cause in supporting those changes.

Sincerely,



J. H. Stewart, Jr.
Treasurer
Friends of Donald Stewart

JHSjr:kc

Enclosures

79040160911

Donald
Stewart
U. S. Senate

EXHIBIT 1

May 2, 1979

Mr. James Dennis
2912 Lomb Avenue
Birmingham, Alabama 35208

Dear Mr. Dennis:

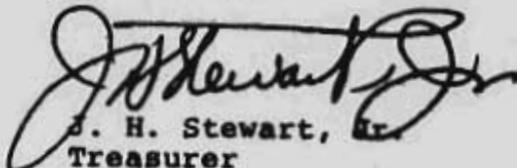
As you know, there has been recent newspaper articles alleging that you made contributions to the Friends of Donald Stewart Campaign Committee in other peoples' names. We are undertaking an investigation to determine whether there is any truth to those allegations.

We would appreciate it if you would review the enclosed list of contributors and identify for us (a) any contributions which were made by you in the name of another or (b) any contributions which were made by individuals from money loaned to them by you for that purpose.

We believe we have accurately reported all contributions either monetary or in-kind. Please advise us if there were any contributions, monetary or in-kind, which you made to the Campaign which have not been reported.

I would appreciate it if you could give this your immediate attention.

Sincerely,



J. H. Stewart, Jr.
Treasurer
Friends of Donald Stewart
Campaign Committee

JHSjr:kc
cc: Mr. Richard Groenendyke, Jr.
Enclosures

P. O. Box 2274
Anniston, Alabama 36202

Telephone (205) 237-9436

79040160912

U S. Senator Donald W. Stewart
 110 Russell Senate Office Building
 Washington, D. C. 20510

Dear Senator Stewart:

In response to your recent letter, this is to advise that I supplied the funds for the contributions made to your campaign election committee in the names of the following individuals on the dates and for the amounts listed:

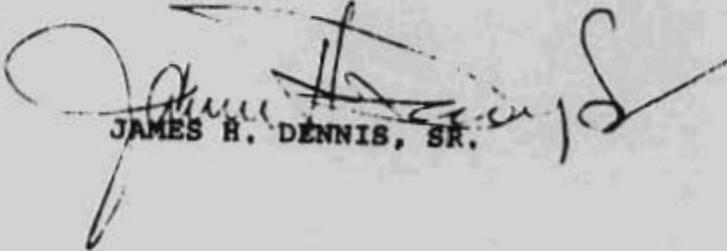
Richard Morehart	\$1,000.00	9/11/78
Herman Mulvehill	1,000.00	9/11/78
Gary Dennis	1,000.00	9/11/78
Venice Owens	1,000.00	9/11/78
Charles Phillips	1,000.00	9/11/78
Nancy Moore	1,000.00	9/11/78
Wayne Moore	1,000.00	9/11/78
Helen Root	1,000.00	9/11/78
Melissa Dennis	1,000.00	9/11/78
Joel Martin	1,000.00	9/18/78
Joan Martin	1,000.00	9/18/78
Johnny Desmond	1,000.00	12/15/78
Jeff Kennedy	1,000.00	12/15/78
Joel Martin	1,000.00	12/15/78
John Thornton	1,000.00	12/15/78
Melissa Dennis	1,000.00	2/2/78
Melissa Dennis	1,000.00	2/2/78
John Lee	1,000.00	7/19/78
W. D. Root	1,000.00	7/25/78
Robert Gurley	1,000.00	8/17/78
Rhonda Dennis	1,000.00	8/17/78
Terri Shadix	1,000.00	8/17/78

79040160913

U. S. Senator Donald W. Stewart
May 8, 1979
Page Two

I would request these funds be returned to me since I now am aware same could be contrary to the regulations governing campaign contributions. I know neither you nor your committee were aware of my funding of these contributions and I am sorry for any problems this has caused.

Sincerely,



JAMES H. DENNIS, SR.

79040150914

JHD, Sr.

Dennis asks refund

Stewart gets apology for illegal donations

By Frank Morring Jr.
and Stewart Lytle

Post-Herald Reporters

Birmingham heavy equipment dealer James H. Dennis yesterday informed U.S. Sen. Donald Stewart and U.S. Attorney J.R. Brooks that he illegally contributed \$22,000 to Stewart's 1978 election campaign.

Dennis, who could face a maximum penalty of \$25,000 or a year in prison or both for each of the 22 illegal \$1,000 contributions, apologized to Stewart "for any problems this has caused," and asked the senator to refund the money.

In a letter wired to Stewart in Washington late yesterday afternoon, Dennis listed 22 individual contributions and said he "supplied the funds for the contributions." Federal law limits political contributions to \$1,000 per election, and forbids giving contributions in the names of others.

A similar letter was sent to the U.S. Attorney's office in Birmingham, Dennis said.

"Hopefully by acknowledging to Sen. Stewart's campaign committee (the contributions) it will alleviate any further embarrassment to the senator as well as any further problems to the individuals that money was given without their knowledge," Dennis said in an interview yesterday.

Dennis said Stewart did not know the contributions from the 19 individuals on his list were illegal. Those individuals, two of whom had more than one \$1,000 contribution made in their names, were equally ignorant of the fact, Dennis said.

Stewart has been investigating reports he received illegal contributions from Dennis since newspaper reports to that effect appeared in mid-April. He said in Washington last night that he will ask the Federal Election Commission to study his case to see if regu-



Sen. Donald Stewart

lations covering illegal contributions can be tightened.

"I don't condone this sort of activity," Stewart said. "We started the investigation from the moment we learned of the allegations. It's unfortunate that it happened."

On April 12 Stewart asked his brother, James Stewart, to send a registered letter to each person on his list of contributors who had been identified as possibly not having made a contribution. James Stewart is chairman of

See APOLOGY, page A2

Apology

From page A1

Friends of Donald Stewart, the senator's campaign organization.

The registered letters, which included a copy of the canceled check or money order bearing the recipient's name, asked the recipient if he or she made the contribution.

Stewart said he has heard from only two of those contacted. Both said they did not make the contribution.

The senator then asked his campaign committee to contact Dennis to confirm the list. The letter Dennis sent yesterday was written confirmation of verbal confirmation given last week, Stewart said.

Stewart said his campaign committee has now complied with all federal election commission requirements and is preparing to return the money to Dennis.

The senator said his campaign had between 1,200 and 1,300 individual contributors, and that it was impossible to check them all.

One of the individuals Dennis confirmed did not make a contribution was W.D. Root, a Pleasant Grove service station operator. Root would not comment on Dennis' action.

"I'd rather not be involved with it," Root said. "Just let him carry on with what he's doing."

Another individual on Dennis' list is Herman Mulvehill, whose Cops Coal Co. failed to supply coal to the Tennessee Valley Authority under a \$45 million contract obtained by coal broker Louis Belphing.

Dennis has also been linked with Mulvehill in a \$5.5 million lawsuit filed against Dennis and his Dennis Mining Equipment and Supply Co. by Itel Capital Corp. of San Francisco. The suit charges Dennis cost the California company more than \$700,000 by misrepresenting facts in his business dealings. One of the deals listed in the Itel suit involved Mulvehill.

Dennis said that the U.S. Attorney's office in Birmingham is investigating his dealings with Itel. He is also under federal investigation for arson in connection with a New Year's fire at his business this year, and for possible tax law violations, he said.

"I am aware that there are several investigations of me under way in the

U.S. Attorney's office," Dennis said. "In order to insure proper clarification of all cases being investigated, and to insure that innocent people will not be involved in other investigations, I am trying to clarify to the U.S. Attorney's office what charges I may possibly be guilty of, and to fully and responsibly defend the charges that I am innocent of."

"I have today instructed my attorneys to forward a letter to the U.S. Attorney's office, putting the alleged illegal campaign contributions

Dennis said he knew contributions were limited by federal law to \$1,000 per election, but he said he did not know if was illegal to make contributions in the name of another. "My understanding of the law at that time was that up to \$1,000 could be contributed in an individual's name per segment of a senatorial campaign."

The individuals involved were not contacted, Dennis said, and he was not certain if they supported Stewart.

"None of these people were ever sworn (of the contributions in their name)," Dennis said. "In fact, I was called and questioned by some of the individuals when the campaign contributions were listed in the newspapers. I instructed them not to worry about it and they didn't seem too concerned about it at the time."

"I can't say truthfully whether they supported him. I never asked them."

Among those on the list were Dennis' ex-wife, Melissa Dennis, his brother and sister in law, "acquaintances" and employees and their spouses.

All of the contributions Dennis listed were for \$1,000 and were made in 1972. The names in which they were made and the dates they were made are:

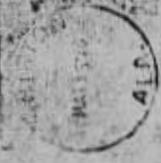
Richard Morehart, Sept. 11; Herman Mulvehill, Sept. 11; Gary Dennis, Sept. 11; Venice Owens, Sept. 11; Charles Phillips, Sept. 11; Nancy Moore, Sept. 11; Wayne Moore, Sept. 11; Helen Root, Sept. 11; Melissa Dennis, Sept. 11; Joel Martin, Sept. 18; Joan Martin, Sept. 18; Johnny Desmond, Dec. 18; Jeff Kennedy, Dec. 18; Joel Martin, Dec. 18; John Thornton, Dec. 18; Melissa Dennis, two contributions, Feb. 2; John Lee, July 18; W.D. Root, July 21; Roberts Gurley, Aug. 17; Rhonda Dennis, Aug. 17, and Terri Shadis, Aug. 17.

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RECEIVED
FEDERAL ELECTION
COMMISSION

'79 MAY 21 AM 10:24

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FEDERAL ELECTION COMMISSION

1325 K Street, N.W.

Washington, D. C. 20463

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RECEIVED
FEDERAL ELECTION
COMMISSION

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 204 TITLE BUILDING
2020 2ND AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

EDWARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

79 MAY 21 AM 10:52

May 15, 1979

Hon. Joan D. Aikens,
Chairman
Federal Election Committee
1325 K Street N.W.
5th Floor
Washington, D. C. 20463

902416

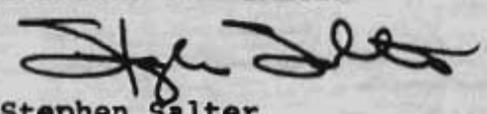
Re: James H. Dennis, Sr.

Dear Madam Chairman:

I am enclosing herewith a copy of an article appearing in The Birmingham News (May 10, 1979) as additional information for you and your Committee in considering the matters regarding Mr. Dennis and the contributions made at his behest in the Fall of 1978.

Respectfully yours,

GROENENDYKE AND SALTER


J. Stephen Salter

JSS/mc
Encl.
cc: Mr. James H. Dennis, Sr.

7904015091A

Dennis: Used phantom names in gifts to Peck

BY ANDREW KILPATRICK

News staff writer

Controversial Birmingham coal supply salesman James Dennis told *The Birmingham News* Wednesday he gave \$12,000 in other people's names to the campaign of California's Cary Peck.

Dennis said he gave the money even though \$1,000 is the legal limit for an individual for any given election.

"I thought you could give \$1,000 in each individual's name — honest to God," Dennis said Wednesday.

Cary Peck, the son of actor Gregory Peck, narrowly lost his bid for a congressional seat from California last year. He could not be reached for comment Wednesday.

THE REVELATION that Dennis contributed to Peck in other people's names, came a day after Dennis notified Alabama's Sen. Donald Stewart that he has contributed \$22,000 to his campaign also in other people's names.

Dennis said he used some of the same names he used as phantom contributors to the Stewart campaign, as contributors to Peck's campaign.

Dennis said he contributed to both Stewart and Peck because he wanted to be generous to politicians he admires.

Dennis said neither Stewart nor Peck knew of his largess.

Asked if he has notified Peck of the \$12,000 in contributions, Dennis said he had not, but he soon would.

"I plan to write a letter to Cary Peck, too. I've got to do one thing at a time," he said.

Dennis, who has given \$10,000 to the City of Birmingham and \$10,000 to the *Post-Herald's* Goodfellows says, "If I like somebody or some cause, I give to it."

However, it is a violation of Federal Election Commission law to give more than \$1,000, and it is a violation to contribute to a politician's campaign in someone else's name.

Dennis could face a maximum of a year in prison and a fine, or both, for one of the 34 phantom contributions he has mentioned.

An FEC spokesman Wednesday would not comment about whether there is an investigation of the Dennis matter, but said that a formal complaint has to be filed to compel an FEC investigation.

Dennis said he contributed to Peck because he and Peck have been friends for the last two years.

79040160919

his largest.

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Dennis said he contributed to Peck because he and Peck have been friends for the last two years. Dennis also said he knows Gregory Peck, and that he (Dennis) and Gregory Peck have invested money in a Broadway play, "Sweeney Todd."

Dennis' letter to Stewart Tuesday came after Stewart's campaign wrote him last week asking for an accounting of the money he channeled into the campaign.

DENNIS WROTE Stewart: "In response to your recent letter, this is to advise you that I supplied the funds for the contributions made to your campaign election committee in the names of the following individuals on the date and for the amounts listed."

He then listed 22 names, each of whom was reported to have given \$1,000. Most of the phantom contributors were friends or acquaintances of Dennis.

"I would request these funds be returned to me since I am now aware same could be contrary to the regulations governing campaign contributions," Dennis wrote.

DENNIS continued, "I know neither you nor your committee were aware of these contributions and I am sorry for any problems this has caused."

Dennis says he knows federal authorities are investigating him for business dealings with Itel Capital Corp., a San Francisco finance company. He says he's been under investigation for an arson which occurred at his business — Dennis Mining and Supply Equipment on Lomb Avenue — Jan. 2. But Dennis says he has done nothing wrong.

Dennis has said, however, he expects to be indicted by the Birmingham federal grand jury and says, as far as he's concerned, it can hurry up so he can get any legal problems he may have behind him.

FREE

NO OR
ASTON

...able for an ambush last Friday in which two officers and a private guard were killed.
The Liberation Front, one of three active leftist groups in the country, claimed it was responsible for the killing.
...ing two of them.
... San Salvador. They are demanding the release of five San Salvador and five other hostages in downtown Embassy since Friday, and 60 to 80 to 80 peasants and other members of the organization of the French Embassy in the French capital from the building Monday night.
... El Salvador
... May 10, 1979 The Birmingham News

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7 9 0 4 0 1 6 0 9 2 1
GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 800, TITLE BUILDING
2030 2ND AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203



RECEIVED
FEDERAL ELECTION
COMMISSION
MAY 21 AM 8:45
RECEIVED
FEDERAL ELECTION
COMMISSION
MAY 21 AM 8:51

Hon. Joan D. Aikens
Chairman
Federal Election Committee
1325 K Street N.W.,
5th Floor
Washington, D. C. 20463

1042

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
2000 2ND AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

FEDERAL ELECTION
COMMISSION

ROBERT A. GROENENDYKE, JR.
& STEPHEN SALTER

FORM NO. 1000
12-19-68 10-6000

May 9, 1979

MAY 16 AM 11:57

Hon. Joan D. Aikens
Chairman
Federal Election Committee
1325 K Street N.W.
5th Floor
Washington, D. C. 20463

Re: James H. Dennis, Sr.

Dear Madam Chairman:

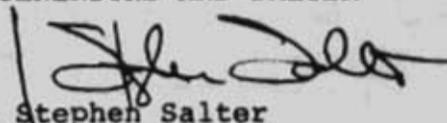
I am enclosing herewith a copy of a letter from this office dated May 8, 1979 to the Honorable J. R. Brooks, United States Attorney for the Northern District of Alabama, and its enclosure. I am also enclosing copies of the Birmingham Post Herald (May 9, 1979) and an article appearing in the first edition of The Birmingham News (May 9, 1979).

While I am certain you have been made aware of these matters by the date you receive this letter, I request on behalf of James H. Dennis, Sr. that you bring before the Commission the propriety of a conciliation agreement as provided in Title 2 of the United States Code, §437. In the interim, if you have a need for any additional information, including a statement from Mr. Dennis, please do not hesitate to contact me at your convenience.

Please know that we will appreciate your prompt attention in this area of mutual concern.

Yours very truly,

GROENENDYKE AND SALTER


J. Stephen Salter

JSS/mc

Encl.

cc: Mr. James H. Dennis, Sr.

79010150922

GROENENDYKE AND SALTER

ATTORNEYS AT LAW

SUITE 200, WYLE BUILDING

2030 3RD AVENUE, NORTH

BIRMINGHAM, ALABAMA 35203

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

AREA CODE 205
TELEPHONE 251-9448

May 8, 1979

Hon. J. R. Brooks
United States Attorney
Northern District of Alabama
Federal Courthouse
Birmingham, Alabama 35203

Attention: Bill Barnett

Re: James H. Dennis, Sr.

Dear Mr. Brooks:

I have been instructed by James H. Dennis, Sr. to clarify certain matters relating to campaign contributions made last year. We understand that your office may be interested in and supervising an investigation as to whether Mr. Dennis transgressed any Federal election regulations or laws in causing certain contributions to be made.

Mr. Dennis is interested in terminating any further confusion in this matter and has expressed a desire to see that no unnecessary investigative efforts are spent. He is also hopeful that by making full disclosure the individuals in whose names contributions appear to have been made will not be embarrassed or called into public ridicule.

As I have indicated to you in the past, Mr. Dennis is a rather different type of client with values that are not always easy to understand. His principal interest now is to put this matter to rest. For the above reasons he has instructed me to enclose the following list of persons in whose names he caused contributions to be made.

Respectfully,

GROENENDYKE AND SALTER

J. Stephen Salter

JSS/mc

Encl.

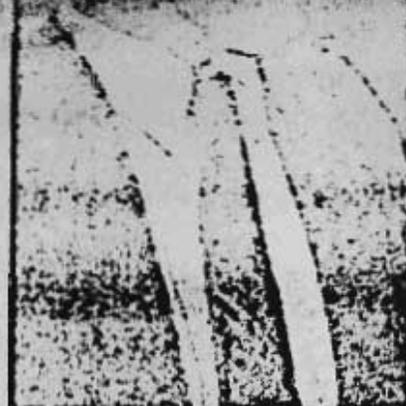
cc: James H. Dennis, Sr.

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Richard Morehart	\$ 1,000.00	9/11/78
Herman Mulvehill	1,000.00	9/11/78
Gary Dennis	1,000.00	9/11/78
Venice Owens	1,000.00	9/11/78
Charles Phillips	1,000.00	9/11/78
Nancy Moore	1,000.00	9/11/78
Wayne Moore	1,000.00	9/11/78
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John Lee	1,000.00	7/19/78
W. D. Root	1,000.00	7/25/78
Roberta Gurley	1,000.00	8/17/78
Rhonda Dennis	1,000.00	8/17/78
Terri Shadix	1,000.00	8/17/78

\$22,000.00



TOM FULLMAN
...Material witness

A Hoover policeman, who former associates say quit the Bessemer Police Department "in disgust" upon election of Max Williams as public safety commissioner, was being held today in connection with last week's bombing at Bessemer City Hall.

Thomas B. Fullman, 33, of 207 3rd Ave., Midfield was placed in custody at Jefferson County Jail in Bessemer at about 7:50 p.m. Tuesday.

No charge was immediately filed, and authorities were not saying if any would be. Fullman is being held "as a material witness."

Alabama Atty. Gen. Charles Graddick, called into the case Sunday, said

new developments are expected today that could crack the case open.

It has been a week since the early-morning blast killed Bessemer Police Lt. Clifford Hill, 48, and critically injured Williams and Gene Lint, executive secretary to Mayor Ed Porter. The bomb came to Williams' office in last Wednesday's morning mail.

FULLMAN'S knowledge of the bombing—or any possible role he may have played—remains unclear.

"We've interviewed people all day, and one person (Fullman) turned out to be a material witness," Graddick said. "We are continuing the investigation

and hope other forth."

Authorities have been subpoenaed

This story reports by News Wayne Wright, Killpatrick, Dan and Frances Sp

federal grand jury in Birmingham.

Attorneys for motion today for their client. Gr was brought in allows district a

Dennis apologizes to Stewart, asks \$22,000 refund

News 5-9-79

BY THE ASSOCIATED PRESS

A heavy-equipment dealer has told Sen. Donald Stewart, D-Ala., and a federal prosecutor he illegally contributed \$22,000 to Stewart's 1978 campaign.

James H. Dennis of Birmingham apologized Tuesday to Stewart "for any problems this has caused" and asked the senator to refund the money.

Dennis could face a maximum penalty of \$25,000 or a year in prison or both on each of the 22 contributions.

In a letter wired to Stewart in Washington, Dennis listed 22 individual gifts and said he "supplied the funds for the contributions." Federal law limits political contributions to \$1,000 per election and forbids making donations in the names of others.

learned of the allegations. It's unfortunate that it happened."

DENNIS SAID he knew contributions were limited to \$1,000 but said he did not know it was illegal to make contributions in the name of another. "My understanding of the law at that time was that up to \$1,000 could be contributed in an individual's name per segment of a senatorial campaign," he said.

He said the individuals involved were not contacted and he was not certain if they supported Stewart.

One person on the list is Herman Mulvehill, whose Cups Coal Co. failed to supply coal to the Tennessee Valley Authority under a \$45 million contract obtained by coal broker Louis Bethune.

DENNIS SENT a similar letter to U.S. Attorney J.R. Brooks in Birmingham.

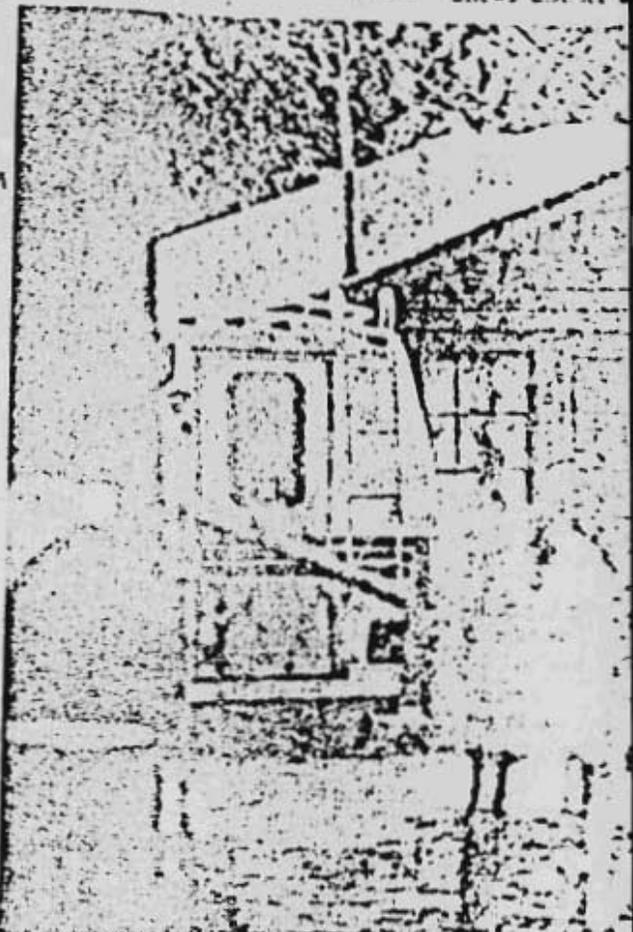
Dennis said Stewart did not know the contributions were illegal and said those on the list did not know of the fact.

Stewart had been investigating reports he received illegal contributions from Dennis. He said Tuesday night he will ask the Federal Election Commission to study his case to see if regulations covering illegal contributions can be tightened.

"I don't condone this sort of activity," the senator said. "We started this investigation from the moment we

DENNIS ALSO has been linked with Mulvehill in a \$5.5 million lawsuit filed against Dennis and his Dennis Mining Equipment and Supply Co. by Itel Capital Corp., San Francisco. The suit charges Dennis cost the California company more than \$700,000 by misrepresenting facts in his business dealings. One of the deals listed in the Itel suit involved Mulvehill.

Dennis said the U.S. attorney's office in Birmingham is investigating his dealings with Itel. He also is under federal investigation for possible arson in connection with a New Year's fire at his business this year, and for possible tax law violations, he said.



Tom Fullman's Mid

Amin's troops turn

SOROTI, Uganda (AP) — Idi Amin's troops, in one of vengeance in this northeast Ugandan town, stopped a train of civilians and shot about 50 of them beside the tracks, railwaymen said.

They said Amin's men ordered 41 passengers, most of them down under the mango trees near the Soroti station, then started shooting.

They said four young women hiding in a nearby toilet were kidnapped by the killers.

Reporters who reached Soroti after it was occupied last week by Ugandan troops and the new Ugandan government's soldiers found a cassava patch near the looted, bullet-marked station and two pits.

The railwaymen said the Amin soldiers carried away a

'Prevailing wage bill'

Dennis asks refund Stewart gets apology for illegal donations

By Frank Moring Jr.
and Stewart Lytle

Post-Herald Reporters

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Sen. Donald Stewart

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See APOLOGY, page A2

Apology

From page A1

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"None of these people were ever aware (of the contributions in their name)," Dennis said. "In fact, I was called and questioned by some of the individuals when the campaign contributions were listed in the newspapers. I instructed them not to worry about it and they didn't seem too concerned about it at the time.

"I can't say truthfully whether they supported him. I never asked them."

Among those on the list were Dennis' ex-wife, Melissa Dennis, his brother and sister in law, "acquaintances" and employees and their spouses.

All of the contributions Dennis listed were for \$1,000 and were made in 1978. The names in which they were made and the dates they were made are:

Richard Morehart, Sept. 11; Herman Mulvehill, Sept. 11; Gary Dennis, Sept. 11; Venice Owens, Sept. 11; Charles Phillips, Sept. 11; Nancy Moore, Sept. 11; Wayne Moore, Sept. 11; Helen Root, Sept. 11; Melissa Dennis, Sept. 11; Joel Martin, Sept. 18; Joan Martin, Sept. 18; Johnny Desmond, Dec. 15; Jeff Kennedy, Dec. 15; Joel Martin, Dec. 15; John Thornton, Dec. 15; Melissa Dennis, two contributions, Feb. 2; John Lee, July 19; W.D. Root, July 25; Roberta Gurley, Aug. 17; Rhonda Dennis, Aug. 17, and Terri Shadix, Aug. 17.

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BIRMINGHAM, AL 352
MAY 11
1979
PM

790401780 9p28

GROENENDYKE and SALTER

Attorneys at Law
-Suite 300, 1705 Building • 2000 3rd Ave., North
Birmingham, Alabama 35203

Hon. Joan D. Aikens, Chairman
Federal Election Committee
1325 K Street, N.W., 5th Floor
Washington, D. C. 20463

79 MAY 6 AM 1:47

RECEIVED
FEDERAL ELECTION
COMMISSION



United States Department of Justice

UNITED STATES ATTORNEY
NORTHERN DISTRICT OF ALABAMA
200 FEDERAL COURTHOUSE
BIRMINGHAM, ALABAMA 35203
(205) 254-1785
FTS 229-1786

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M. Man...
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RECEIVED
FEDERAL ELECTION
COMMISSION
UNITED STATES ATTORNEY
AND REFER TO
INITIALS AND FILE NUMBER
79 MAY 14 DEP/ 1:34

May 10, 1979

5823

William C. Oldaker
General Counsel
Federal Election Commission
1325 "K" Street, N.W.
Washington, D. C. 20460

Re: Confidential Referral of
Campaign Violations

Dear Mr. Oldaker:

On April 20th we forwarded certain information to you concerning possible FEC violations in the recent campaign of Senator Donald Stewart (D.Ala.). The allegation was that James Dennis, a local businessman, had made numerous contributions to the campaign in other person's names. At that time, it appeared that about fifteen thousand dollars in contributions were improperly given.

Mr. Dennis has now sent the attached letter to this office in which his attorney states that twenty-two such donations were made. We also enclose a newspaper article which was run on the front page of the Birmingham Post Herald this week.

It is hoped that this will facilitate your investigation.

Sincerely,

J. R. Brooks
J. R. BROOKS
United States Attorney

7 9 0 1 0 1 5 0 9 2 7

77-0088
BLB

GROENENDYKE AND SALTER

ATTORNEYS AT LAW

SUITE 200, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

AREA CODE 205
TELEPHONE 261-6666

May 8, 1979

Hon. J. R. Brooks
United States Attorney
Northern District of Alabama
Federal Courthouse
Birmingham, Alabama 35203

Attention: Bill Barnett

Re: James H. Dennis, Sr.

Dear Mr. Brooks:

79040160930

I have been instructed by James H. Dennis, Sr. to clarify certain matters relating to campaign contributions made last year. We understand that your office may be interested in and supervising an investigation as to whether Mr. Dennis transgressed any Federal election regulations or laws in causing certain contributions to be made.

Mr. Dennis is interested in terminating any further confusion in this matter and has expressed a desire to see that no unnecessary investigative efforts are spent. He is also hopeful that by making full disclosure the individuals in whose names contributions appear to have been made will not be embarrassed or called into public ridicule.

As I have indicated to you in the past, Mr. Dennis is a rather different type of client with values that are not always easy to understand. His principal interest now is to put this matter to rest. For the above reasons he has instructed me to enclose the following list of persons in whose names he caused contributions to be made.

Respectfully,

GROENENDYKE AND SALTER


J. Stephen Salter

RECEIVED

JSS/mc
Encl.

cc: James H. Dennis, Sr.

MAY 9 1979

U. S. ATTORNEY
NORTHERN DISTRICT
OF ALABAMA

79040160931

Richard Morehart	\$ 1,000.00	9/11/78
Herman Mulvehill	1,000.00	9/11/78
Gary Dennis	1,000.00	9/11/78
Venice Owens	1,000.00	9/11/78
Charles Phillips	1,000.00	9/11/78
Nancy Moore	1,000.00	9/11/78
Wayne Moore	1,000.00	9/11/78
Helen Root	1,000.00	9/11/78
Melissa Dennis	1,000.00	9/11/78
Joel Martin	1,000.00	9/18/78
Joan Martin	1,000.00	9/18/78
Johnny Desmond	1,000.00	12/15/78
Jeff Kennedy	1,000.00	12/15/78
Joel Martin	1,000.00	12/15/78
John Thornton	1,000.00	12/15/78
Melissa Dennis	1,000.00	2/2/78
Melissa Dennis	1,000.00	2/2/78
John Lee	1,000.00	7/19/78
W. D. Root	1,000.00	7/25/78
Roberta Gurley	1,000.00	8/17/78
Rhonda Dennis	1,000.00	8/17/78
Terri Shadix	<u>1,000.00</u>	8/17/78

\$22,000.00

Dennis asks refund

Stewart gets apology for illegal donations

By Frank Moring Jr.
and Stewart Lytle

Post-Herald Reporters

7 9 0 1 0 1 6 0 9 3
Birmingham heavy equipment dealer James H. Dennis yesterday informed U.S. Sen. Donald Stewart and U.S. Attorney J.R. Brooks that he illegally contributed \$22,000 to Stewart's 1978 election campaign.

Dennis, who could face a maximum penalty of \$25,000 or a year in prison or both for each of the 22 illegal \$1,000 contributions, apologized to Stewart "for any problems this has caused," and asked the senator to refund the money.

In a letter wired to Stewart in Washington late yesterday afternoon, Dennis listed 22 individual contributions and said he "supplied the funds for the contributions." Federal law limits political contributions to \$1,000 per election, and forbids giving contributions in the names of others.

A similar letter was sent to the U.S. Attorney's office in Birmingham, Dennis said.

"Hopefully by acknowledging to Sen. Stewart's campaign committee (the contributions) it will alleviate any further embarrassment to the senator as well as any further problems to the individuals that money was given without their knowledge," Dennis said in an interview yesterday.

Dennis said Stewart did not know the contributions from the 19 individuals on his list were illegal. Those individuals, two of whom had more than one \$1,000 contribution made in their names, were equally ignorant of the fact, Dennis said.

Stewart has been investigating reports he received illegal contributions from Dennis since newspaper reports to that effect appeared in mid-April. He said in Washington last night that he will ask the Federal Election Commission to study his case to see if regu-



Sen. Donald Stewart

lations covering illegal contributions can be tightened.

"I don't condone this sort of activity," Stewart said. "We started this investigation from the moment we learned of the allegations. It's unfortunate that it happened."

On April 12 Stewart asked his brother, James Stewart, to send a registered letter to each person on his list of contributors who had been identified as possibly not having made a contribution. James Stewart is chairman of

See APOLOGY, page A2

Apology

From page A1

"Friends of Donald Stewart," the senator's campaign organization.

The registered letters, which included a copy of the canceled check or money order bearing the recipient's name, asked the recipient if he or she made the contribution.

Stewart said he has heard from only two of those contacted. Both said they did not make the contribution.

The senator then asked his campaign committee to contact Dennis to confirm the list. The letter Dennis sent yesterday was written confirmation of verbal confirmation given last week, Stewart said.

Stewart said his campaign committee has now complied with all federal election commission requirements and is preparing to return the money to Dennis.

The senator said his campaign had between 1,200 and 1,500 individual contributors, and that it was impossible to check them all.

One of the individuals Dennis confirmed did not make a contribution was W.D. Root, a Pleasant Grove service station operator. Root would not comment on Dennis' action.

"I'd rather not be involved with it," Root said. "Just let him carry on with what he's doing."

Another individual on Dennis' list is Herman Mulvehill, whose Cups Coal Co. failed to supply coal to the Tennessee Valley Authority under a \$45 million contract obtained by coal broker Louis Bethune.

Dennis has also been linked with Mulvehill in a \$5.5 million lawsuit filed against Dennis and his Dennis Mining Equipment and Supply Co. by IteI Capital Corp. of San Francisco. The suit charges Dennis cost the California company more than \$700,000 by misrepresenting facts in his business dealings. One of the deals listed in the IteI suit involved Mulvehill.

Dennis said that the U.S. Attorney's office in Birmingham is investigating his dealings with IteI. He is also under federal investigation for arson in connection with a New Year's fire at his business this year, and for possible tax law violations, he said.

"I am aware that there are several investigations of me under way in the

U.S. Attorney's office," Dennis said. "In order to insure proper clarification of all cases being investigated, and to insure that innocent people will not be involved in other investigations, I am trying to clarify to the U.S. Attorney's office what charges I may possibly be guilty of, and to fully and responsibly defend the charges that I am innocent of."

"I have today instructed my attorneys to forward a letter to the U.S. Attorney's office outlining the alleged illegal campaign contributions."

Dennis said he knew contributions were limited by federal law to \$1,000 per election, but he said he did not know it was illegal to make contributions in the name of another. "My understanding of the law at that time was that up to \$1,000 could be contributed in an individual's name per segment of a senatorial campaign."

The individuals involved were not contacted, Dennis said, and he was not certain if they supported Stewart.

"None of these people were ever aware (of the contributions in their name)," Dennis said. "In fact, I was called and questioned by some of the individuals when the campaign contributions were listed in the newspapers. I instructed them not to worry about it and they didn't seem too concerned about it at the time."

"I can't say truthfully whether they supported him. I never asked them."

Among those on the list were Dennis' ex-wife, Melissa Dennis, his brother and sister in law, "acquaintances" and employees and their spouses.

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NORTHERN DISTRICT OF ALABAMA
RETURN IN FIVE DAYS TO
OFFICE OF
UNITED STATES ATTORNEY
200 FEDERAL COURTHOUSE
BIRMINGHAM, ALABAMA 35203

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

William C. Oldaker
General Counsel
Federal Election Commission
1325 "K" Street, N.W.
Washington, D. C. 20460

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF JUSTICE
JUS-431



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
James Dennis, et al.)

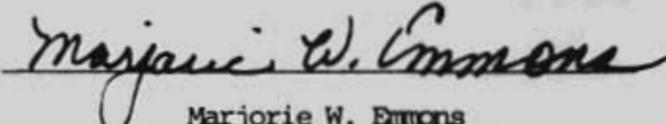
PRE-MUR 32

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, certify that on May 10, 1979, the Commission determined by a vote of 6-0 to adopt the recommendation of the General Counsel that Pre-MUR 32 be made into a MUR.

Attest:

5/14/79
Date


Marjorie W. Emmons
Secretary to the Commission

79040160935



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
DATE: MAY 7, 1979
SUBJECT: OBJECTION: PRE-MUR 32 - Memorandum from
OGC dated May 4, 1979

At 2:50 p.m. on Friday, May 4, the Office of the
Commission Secretary received the above-named document from
the Office of the General Counsel. The document was circulated
to the Commissioners on Monday, May 7.

Commissioner Harris filed an "objection" at 2:55 p.m. on
May 7, 1979, thereby placing the matter on the agenda for the
executive session of Thursday, May 10, 1979.

79040150935

May 4, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: Pre MUR 32

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

Thank you.

7001060937



FEDERAL ELECTION COMMISSION

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

RECEIVED
OFFICE OF THE
COMMISSIONER

79 MAY 4 A 2: 50

May 4, 1979

MEMORANDUM

TO: The Commission
FROM: William C. Oldaker
General Counsel
RE: Pre-MUR 32

7 0 0 4 9 1 5 0 9 3 8

On April 24, 1979, the Office of General Counsel received a referral from the U.S. Attorney's Office for the Northern District of Alabama regarding fifteen individuals whose names appeared on the disclosure reports for the 1978 campaign of Senator Donald Stewart. According to the referral, the individuals did not actually contribute to the campaign. Instead, it is alleged that James Dennis, a fund-raiser for the campaign, contributed \$15,000, \$11,000 of which may have been contributed in cash, using the names of the fifteen individuals.

It is further alleged that Dennis lent the use of two (2) cars and an airplane. Milton Turner and George Rush are also alleged to have lent airplanes to the campaign without having disclosed this on reports.

Analysis

Attached to the referral is a copy of a newspaper article which appeared in the Birmingham News. Several of the fifteen "contributors" are quoted as saying that they did not contribute to the campaign (Attachment I).

If these allegations are true, the actions complained of could constitute violations of 2 U.S.C. §§434(b)(2), 441a(a)(1)(A), 441a(f), 441f and 441g.

Recommendation

It is recommended that Pre-MUR 32 be made into a MUR.

Attachment: Newspaper Article
Referral





Common Cause

2030 M STREET, N.W., WASHINGTON, D. C. 20036

NAN F. WATERMAN
Chairwoman

DAVID COHEN
President

JOHN W. GARDNER
Founding Chairman

'79 APR 27 PM 3:41

NOT DELIVERED

April 27, 1979

Ms. Joan Aikens, Chairman
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

902205

Dear Ms. Aikens:

We would like to call to the attention of the Commission certain news stories about contributions reported by Senator Donald Stewart's campaign committee last fall. These allegations, if correct, pose serious questions for the effectiveness of campaign disclosure laws, and merit the careful scrutiny of the Commission.

Recent Alabama newspaper reports indicate that persons listed as making large contributions to Senator Stewart's campaign last fall now deny they did so. The Birmingham News of April 11, 1979, cites six instances where individuals reported as making \$1,000 contributions to Senator Stewart now claim they never made such contributions. The Anniston Star of April 12, 1979, reports other examples of this. We are enclosing copies of these newspaper articles for the Commission's review.

It is the Commission's duty to safeguard the integrity of the election laws. These news stories, if correct, raise questions that go to the heart of the disclosure provisions of the law, and warrant further inquiry by the Commission. We urge the Commission to review these contributions and take whatever action is appropriate.

Sincerely,

Fred Wertheimer
Vice President

Enclosures

70040150939

ALL 1000;

Stewart donations in puzzle

By THOMAS NOLAND
Star Staff Writer

Two persons listed as \$1,000 contributors to the successful campaign last year of U.S. Sen. Donald Stewart are shown on Federal Election Commission (FEC) reports as working for a company that apparently does not exist.

Checks with the Alabama Secretary of State's office, where all firms doing business in Alabama are required to be registered, and several other state agencies revealed no information about the Alabama-Tennessee Oil Co.

The company's address on the FEC reports is listed as Drawer S, Sumiton. But Sumiton Postmaster Marvis Latham said Wednesday that Drawer S is rented by Birmingham coal supply salesman James Dennis, who recently claimed he bribed federal officials to get favors for the coal industry.

The officials denied the charge.

Dennis, under investigation by three federal agencies in connection with his business, contributed \$1,000 to the Stewart campaign on Aug. 11, 1977, and another \$1,000 on Sept. 11, 1978, FEC records show. Stewart is not being investigated.

Stewart said Wednesday his campaign

"complied fully with the law" in reporting contributions and that any contributions shown to be inappropriate will be refunded.

Mrs. Latham said she did not know of an Alabama-Tennessee Oil Co. and that Dennis was the only party who has received mail at Drawer S since he rented the box. In the past several months, she said, the box has received no mail at all except "junk mail" addressed to "Occupant" or "Resident."

She said she did not recall when Dennis rented Drawer S.

FEC records on file at the secretary of state's office in Montgomery show Stewart contributors Max Gurley and John Lee are listed as employees of Alabama-Tennessee Oil Co.

Gurley, whose home address was listed as Argo, Rt. 1, contributed \$1,000 on Aug. 17, 1978, according to the records. His wife, Roberta, is listed as giving \$1,000 on the same date.

But Tuesday's Birmingham News quoted Gurley as saying his wife never gave the money.

Gurley could not be reached for comment by The Star and his wife refused to discuss the matter.

Asked whether he knew of Gurley or the

Alabama-Tennessee Oil Co., Stewart said the campaign did not have the time or the manpower to run background checks on all of its contributors.

Lee, listed in the FEC reports as residing at Leeds, Rt. 1, gave \$1,000 on July 19, 1978, the report shows. South Central Bell operators listed two John Lees in the Leeds exchange and both Lees said they did not contribute to the Stewart campaign.

One said, however, that a John Lee recently moved from Leeds to Tennessee. He said he did not know which Tennessee town Lee had moved to.

Federal law requires all contributors to candidates for federal offices to report accurately their names, addresses and occupations.

Dennis could not be reached for comment Wednesday or this morning. A secretary at his Birmingham business, Dennis Mining and Supply Equipment, said she did not know when he would be in his office and that he was not available at a different location.

Another person listed as a \$1,000 contributor to the Stewart campaign told The Star he did not give any money.

Wayne Moore of Bessemer, who gave (See Campaign, Page 6A)

ANNISTON STAR 4/13/79

1067

ANNISTON STAR April 13, 1979

79 APR 27 PM 3:41

FEDERAL ELECTION COMMISSION

Campaign checks puzzling

(Continued From Page 1)

Stewart \$1,000 on Sept. 11, 1978, according to records, said he never contributed to the candidate and does not know how his name appeared on the FEC report.

Moore's wife, Nancy, also is listed as a \$1,000 contributor on the same date. She commented, "I know what you're talking about, but I don't know anything about it."

In addition, two other persons listed as Stewart contributors show a Drawer S, Sumiton, address on the FEC report.

Melissa Dennis, Dennis' ex-wife, contributed \$1,000 on Sept. 11, 1978, and another \$1,000 on Feb. 2, 1979, according to the report. Federal law permits contributions up to \$1,000 for each election; Stewart ran in the Democratic primary Sept. 5, the Democratic runoff Sept. 26 and the general election Nov. 7.

Rhonda Dennis is listed as a \$1,000 contributor on Aug. 17, 1978, according to records.

Ms. Latham said Drawer S, Sumiton, at one time was the address of Dennis' Contractors Filter and Supply Co., which provided oil, filters and other mining and contracting supplies.

Dennis sold the business to Apache Machine and Supply Co. of Tarrant City in 1977, according to J. D. Mann, manager of the Apache outlet in Sumiton.

Mann said he has never heard of the Alabama-Tennessee Oil Co. and that no one from Contractors Filter and Supply went to work for Apache.

Checks with the Alabama Surface Mining Reclamation Council in Jasper, the Alabama Oil and Gas Board in Tuscaloosa and the Tennessee Secretary of State's office in Nashville turned up no information about Alabama-Tennessee Oil Co. The Walker County Probate office in Jasper also has no record of the firm.

Jim Stewart of Anniston, Stewart's campaign treasurer, said he did not know personally of the company but might have heard its name mentioned by Dennis.

Dennis is being investigated by the Internal Revenue Service, FBI, the federal Bureau of Alcohol, Tobacco and Firearms and the Birmingham Fire Department. The Birmingham News reported Wednesday.

His comments about the alleged bribe took place on a March segment of the ABC-TV News program, "20/20."

As an Anniston state senator, Donald Stewart ran successfully against Mrs. Jim Allen, the widow of former U.S. Sen. Jim Allen, in the Sept. 26 Democratic primary.

He then defeated Republican Jim Martin of Gadsden in the Nov. 7 general election for the seat vacated when Allen died last spring.

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Dennis linked to 'phantom' Stewart contributors

BY ANDREW KILPATRICK
News staff writer

A number of people listed as contributors to U.S. Sen. Donald Stewart's 1978 campaign say they never gave him any money.

In addition to the those located by *The Birmingham News* there are more people listed in the Stewart campaign records who did not contribute to him, law enforcement sources say.

Authorities say the phantom contributions appear to stem from controversial Birmingham coal supply salesman James Dennis, a Stewart contributor and campaign worker.

Dennis is the same man who recently claimed he bribed federal officials to get favors for the coal industry.

The federal officials denied Dennis' claims.

An investigation of Dennis' activities by a number of federal agencies in Alabama has revealed Dennis' participation in the Stewart campaign.

Stewart is not being investigated and said Tuesday if there are any irregularities about the contributions to his campaign, they will be corrected and the money returned.

ALL CANDIDATES for federal of-

fice are required by law to report accurately the names, addresses and occupations of all contributors.

Max Gurley, a Sumiton tool salesman who recently worked for Dennis, was one of those listed as contributing to the senator. He said his wife, Roberta, never gave the \$1,000 she is listed as giving.

Both Gurley and his wife each are listed in Stewart's campaign records as having given \$1,000.

Gurley says he does not know why his wife's name is listed.

A Birmingham woman, who asked not to be identified, said she has never

given to Stewart's campaign, but the contribution list says she gave \$1,000 on Feb. 2, 1978, and another \$1,000 on Sept. 11, 1978.

A contributor could have given up to \$3,000 to Stewart—\$1,000 for each election—in the primary and in the runoff and in the general election.

The Birmingham woman said, "The first I knew of it was when I got a thank you note from the senator."

THE WOMAN said Dennis told her he had arranged the contribution for her, but she said he did not tell her

Turn to Page 6, Column 4

Weds. nesday night, 11 April Front Page

BIRMINGHAM NEWS, APRIL 11

79 APR 27 PM 3:41

FEDERAL ELECTION COMMISSION RECEIVED

7 9 0 1 0 1 5 0 9 4 3

Continued from Page 1

exactly how he arranged it. She said Dennis told her what he did after her name appeared in the newspaper listing her as contributor to the Stewart campaign.

A top officer in a Birmingham business, who has known Dennis for some time, said neither he nor his wife gave the \$1,000 contributions listed.

The man said he understood Dennis had arranged the contributions without his knowledge. He said federal authorities were checking on the matter.

The News has learned that more people who are listed in the Stewart contribution records also did not give. The sources say Dennis arranged the contributions for a number of people.

DENNIS NOW is under investigation by the IRS, the FBI, the federal Alcohol, Tobacco and Firearms bureau and the Birmingham Fire Department.

Sources say as much as \$25,000 of improperly recorded contributions may have been funneled into the Stewart campaign.

A Federal Elections Commission spokesman, Fred Eiland, said that if a person listed on the Stewart contribution list did not contribute, it could warrant a check by the commission.

Dennis, owner of Dennis Mining and Supply Equipment at 2912 Lomb Ave., said Tuesday he loaned about \$12,000 to four to six of his friends so they could contribute to Stewart.

Another Dennis employee, Andy Shadix of Birmingham, said Tuesday he had "borrowed" money so he and his wife, Terri, each could give \$1,000 to the Stewart campaign. Dennis says he loaned money to the couple. Law enforcement sources say Terri Shadix may not have given to the Stewart campaign, although she is listed as a contributor.

Dennis said he has done nothing wrong and that Stewart knew nothing of Dennis' method's of raising money for the campaign. Dennis said he likes Stewart, wanted to contribute to him and often helped with his campaign.

Stewart says he knows Dennis but had no idea of his police record when Dennis was helping him with the campaign.

DENNIS HAS been convicted of kidnaping and credit card misuse.

"We don't run a background check on people," Stewart said.

The senator said his campaign workers accepted contributions and reported everything "in compliance with the law."

Stewart said that while he knows Dennis and Shadix, he does not know everyone who may have contributed to his campaign.

"We complied with the law. We fully disclosed," Stewart said.

"In the event there is an impropriety we will comply with the law and refund the money," he said.

Stewart said The News was telling him something about his campaign "that I am not aware of." He said it is impossible to check every detail about contributions in a hectic campaign.

A CHECK OF all Stewart's contributions shows that many people were listed without addresses and occupations, which is against Federal Election Commission rules.

Eiland said it's a violation not to list the complete particulars. He said in such a situation the commission would ask the candidate to update his records. Eiland says he doesn't know if Stewart has been asked for an update.

Stewart said he doubts if any other candidates listed every detail about all the contributors.

Stewart, an Anniston lawyer, served eight years in the state Legislature before being elected last November to fill the remaining two years of the late Sen. Jim Allen's term in the U. S. Senate.

Bham News



FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 970

Date Filmed 10/16/79 Camera No. --- 2

Cameraman BPC

712041010944



FEDERAL ELECTION COMMISSION

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

THE FOLLOWING MATERIAL IS BEING ADDED TO THE
PUBLIC FILE OF CLOSED MUR 970.



79040161286



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 25, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Stephen Salter
Groenendyke and Salter
Suite 500, Title Building
2030 3rd Avenue, North
Birmingham, AL 35203

RE: MUR 970

Dear Mr. Salter:

This letter is to acknowledge receipt of Mr. Dennis' letter requesting an additional 30 to 60 days in which to submit full payment of his \$18,000 civil penalty, and the enclosure of a \$2,000 check dated October 15, 1979.

On October 22, 1979, the Commission reviewed your September 12, 1979 letter and Mr. Dennis' request for an extension. The Commission voted to give Mr. Dennis thirty days from your receipt of this notification to submit full payment of the civil penalty to the Commission. Should Mr. Dennis fail to meet this deadline, the Commission may institute civil action for relief in the U.S. District Court for the District of Columbia.

If you have any questions, please contact Judy Thedford or Hal Ponder.

Sincerely,

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

William C. Oldaker
General Counsel

cc: James Dennis, Sr.

79040161287

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
James H. Dennis, Sr.)

MUR 970

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on October 24, 1979, the Commission decided by a vote of 5-0 to notify Mr. Dennis' lawyer, via the letter attached to the General Counsel's Memorandum dated October 22, 1979, that a 30 day extension has been granted to Mr. Dennis for full payment of the civil penalty.

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

Attest:

10/25/79
Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of the Commission Secretary: 10-22-79, 12:30
Circulated on 48 hour vote basis: 10-22-79, 4:00

79040151288

October 22, 1979

MEMORANDUM TO: Marge Emmons
FROM: Jane Colgrove
SUBJECT: MUR 970

Please have the attached Memo to the Commission on
MUR 970 distributed to the Commission on a 48 hour tally
basis.

Thank you.

79040151289



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMM. SECRETARY
79 OCT 22 PM 2:30

MEMORANDUM

TO: The Commission

FROM: William C. Oldaker *WCO*

SUBJECT: MUR 970 - Payment of the Civil Penalty

DATE: October 22, 1979

On September 6, 1979, the Commission voted to accept the conciliation agreement signed by respondent James Dennis as settlement of this matter. Mr. Salter, counsel for James Dennis, was sent an executed copy of the agreement and notified that Mr. Dennis had thirty days to submit the \$18,000 civil penalty.

On September 12, 1979, Mr. Salter sent a letter to the General Counsel stating that both he and his client were involved in extensive litigation on various unrelating counts and that the trials would continue through September. Mr. Salter requested additional time to comply with the 30 day time limit for submitting the civil penalty. He stated further that upon completion of the trials and review of Mr. Dennis' financial affairs, he may need to request additional consideration with regard to payment (See Attachment A).

On September 25, 1979, the Office of the General Counsel responded to Mr. Salter's letter by urging Mr. Dennis' compliance with the agreement; and that only if necessary, to submit a specific proposal for payment (See Attachment B).

On October 5, 1979, Mr. Salter acknowledged receipt of our letter and stated that full payment or a proposal would be forthcoming.

79040161290

Memo to Commission

Page 2

MUR 970 - Payment of the Civil Penalty

On October 16, 1979, Mr. Dennis submitted a \$2,000 check accompanied by a letter stating that he would need an additional 30 to 60 days to produce the balance and would send additional payments as the money became available (See Attachment C).

RECOMMENDATION:

The Office of the General Counsel recommends that a 30 day extension be given to Mr. Dennis for full payment of the civil penalty and to notify his lawyer with the attached letter.

Attachments:

- A- Salter Letter 9/12/79
- B- Oldaker Letter 9/25/79
- C- Dennis Letter
- Proposed Extension Letter

79040161291

REC-11011
SHARP 984100

RECEIVED
FEDERAL ELECTION
COMMISSION
GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 204, TYLE BUILDING
2030 2ND AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

AREA CODE 205
TELEPHONE 281-0000

79 SEP 14 PM 12:29
September 12, 1979

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

Re: MUR 970

Dear Mr. Oldaker:

I appreciate your letter of September 7, 1979, and its enclosures. Obviously, we are in agreement and appreciate the Commission's decision regarding the proposed Conciliation Agreement. As I indicated to you earlier, we are involved in substantial litigation in the Northern District of Alabama. Initially, the Government's Indictment regarding unrelated matters was cast in ten counts. For a variety of reasons, the Government's Indictment was segregated into three trials. I have been involved in the trial of the first part of these cases beginning on Friday, September 7, 1979, which has just concluded on Tuesday, September 11, 1979. We are now due to begin trial of the major and most substantial part of the case beginning on September 17, 1979, and anticipate the trial of this case will last approximately ten to fifteen trial days (approximately two to three weeks).

I bring these matters to your attention with a request for your continued patience and cooperation in this area of mutual concern. As you know, this office is a partnership consisting of myself and Mr. Richard Groenendyke and at the present time we are rather inundated with various matters facing this office including the above trial commitments.

As we previously indicated, the Government's actions in these matters consumes the bulk of both mine and my client's time and energies, let alone his resources. We anticipate being able to retire the entire penalty agreed upon, but I must respectfully ask a little additional time to resolve this matter.

79070161292

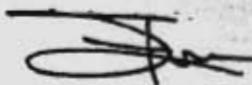
Hon. William C. Oldaker
September 12, 1979
Page Two

79040161293

It is my intention to identify my client's available assets for anticipated closure in this matter as soon as possible. I must admit that in view of the continuous trial commitments which necessarily impede his financial affairs, that we might need to ask additional consideration on behalf of the Commission with regard to the payment. I would prefer that James and I travel to Washington and meet with you in the near future to discuss these areas of mutual concern with a view towards satisfying the generous disposition of this matter by the Commission. Again, it may well be that we can retire the entire penalty in the immediate future. Unfortunately, it might also be that I might request a substantial "down payment" and terms agreeable to all parties. I must say that I am not at liberty at this moment to commit to the proposed thirty (30) day payment time frame although I am not stating that same cannot be consummated.

I intend to confer with my client in the next few days with a view towards bringing to your attention our best potential efforts in this regard. If you feel that these matters will be totally unacceptable to the Commission, I would appreciate your notifying me immediately. We are interested in resolving this matter to the mutual satisfaction of all affected interests and I do not wish to jeopardize in any way our present agreement. I look forward to hearing from you soon in this area of mutual concern.

Highest personal regards,
GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc
cc: James H. Dennis, Sr.

ATTACHMENT A PG 2



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 25, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Stephen Salter
Groenandyke and Salter
Suite 506, Title Building
2030 3rd Avenue
Birmingham, Alabama 35203

RE: MUR 970

Dear Mr. Salter:

Thank you for your letter of September 12, 1979 in which you express your client's concern in satisfying the terms of the conciliation agreement entered into by Mr. Dennis and the Commission. According to the terms of that agreement, Mr. Dennis is to pay a civil penalty in the amount of \$18,000 by October 6, 1979.

You indicated in your letter that Mr. Dennis might not be able to meet the October 6 deadline for payment. I cannot say whether the Commission will agree to any modification of the agreement. Such a procedure would be highly unusual. I urge your client, therefore, to satisfy the terms of the agreement. If this is not possible, I suggest that you give us a specific proposal for modification of the agreement which we can submit to the Commission for its consideration.

My staff can meet with you to discuss this further if you wish. Please contact either Judy Thedford (202-523-4529) or Hal Ponder (523-4166).

Sincerely,

William C. Oldaker
General Counsel

ATTACHMENT B

MUR 900 (79)

11572



Dennis Mining and Equipment, Inc.

2912 Lomb Avenue
Birmingham, Alabama
(205) 780-0895

RECEIVED
GENERAL COLLECTION
COMMISSION

1973 OCT 16 AM 10:34

James Dennis
President

Dear Mr. Pender -

This is all the money I
can spare for the moment. I
wish I could have sent the
balance, but it looks like
it will be 30 to 60 days before
I will submit the balance. However
I will send additional monies as
I can spare them.

I hope this meets favorably
with the Counsel.

Sincerely
James Dennis

79 OCT 16 PM 2:41

RECEIVED
OFFICE AND
GENERAL COUNSEL

ATTACHMENT C. 251

GROENENDYKE & SALTER, ATTORNEYS

GENERAL CLIENT TRUST ACCOUNT

SUITE 500, TITLE BUILDING PH. (205) 251-8666
BIRMINGHAM, AL 35203

163

PAY TO THE
ORDER OF

H. Dean & Federal Electric Comm. 12/15 19 79
\$2000.00
two thousand dollars DOLLARS



CENTRAL BANK
OF BIRMINGHAM
BIRMINGHAM, ALABAMA

GROENENDYKE & SALTER, ATTORNEYS

FOR

F.E.C.

[Signature]

⑆000263⑆ ⑆062001188⑆ 075 1492 1⑆

CLASS ENCL - A

ATTACHMENT C Pg 2

7904051296

John H. Bump

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ATTENTION COPY 3



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Stephen Salter
Groenendyke and Salter
Suite 500, Title Building
2030 3rd Avenue, North
Birmingham, AL 35203

RE: MUR 970

Dear Mr. Salter:

This letter is to acknowledge receipt of Mr. Dennis' letter requesting an additional 30 to 60 days in which to submit full payment of his \$18,000 civil penalty, and the enclosure of a \$2,000 check dated October 15, 1979.

On October , 1979, the Commission reviewed your September 12, 1979 letter and Mr. Dennis' request for an extension. The Commission voted to give Mr. Dennis thirty days from your receipt of this notification to submit full payment of the civil penalty to the Commission. Should Mr. Dennis fail to meet this deadline, the Commission may institute civil action for relief in the U.S. District Court for the District of Columbia.

If you have any questions, please contact Judy Thedford or Hal Ponder.

Sincerely,

William C. Oldaker
General Counsel

cc: James Dennis, Sr.

79040101298

Mr 990 (79)

11372
RECEIVED
FEDERAL RESERVE BANK
COMMERCIAL



Dennis Mining
and Equipment, Inc.

3912 Lomb Avenue
Birmingham, Alabama 35202
(205) 780-0895

James Dennis
President

OCT 16 AM 10:34

Dear Mr. Fender -

This is all the money I
can spare for the moment. I
wish I could have sent the
balance, but it looks like
it will be 30 to 60 days before
I will submit the balance. However
I will send additional monies as
I can spare them.

I hope this meets favorably
with the Counsel.

Sincerely
James Dennis

79 OCT 16 PM 12:41

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

79049161299

7 0 0 1 5 1 3 0 0
GROENENDYKE & SALTER, ATTORNEYS
GENERAL CLIENT TRUST ACCOUNT
SUITE 500, TITLE BUILDING PH. (205) 251-8888
BIRMINGHAM, AL 35203

163

PAY TO THE
ORDER OF

James H. Davis & Federal Electric Co., Inc. 12/15 1979 \$2000

Two thousand dollars

DOLLARS



CENTRAL BANK
OF BIRMINGHAM
BIRMINGHAM, ALABAMA

GROENENDYKE & SALTER, ATTORNEYS

FOR F.E.C.

[Signature]

⑆000263⑆ ⑆062001188⑆ 075 1492 1⑆

John H. Lewis

0140181301



Dennis Mining Supply
and Equipment, Inc.
2912 Lomb Avenue
Birmingham, Alabama 35208

FEDERAL ELECTION
COMMISSION

79 OCT 16 AM 10:30

Mr. Hal Ponder

Office of General Counsel

Federal Election Commission

1325 K Street N.W.

Washington, D.C. 20463

79040151302

Overnight

FEDERAL EXPRESS

YOUR F.E.C. ACCOUNT NUMBER

352--

PLEASE COMPLETE ALL INFORMATION IN THE 8 BLOCKS TO THE RIGHT. PLEASE REFERENCE THIS FOR COMPLETE PREPARATION OF YOUR ORDER.

DATE

10-5-72

FROM NAME

James Dennis

TO COMPANY NAME

Mr. Bill Powell

COMPANY

Dennis Mining Supplies

DEPARTMENT/FLOOR/ROOM

STREET ADDRESS

2912 Long Ave

CITY

Biloxi

POSTAL OFFICE NAME

YOUR REFERENCE NO.

INSURANCE

INSURANCE AMOUNT

INSURANCE TYPE

INSURANCE RATE

INSURANCE VALUE

This Courier Pak contains first class or letter material as defined by the United States Postal Service

____ Yes ____ No

If yes, please affix the proper amount of postage for the letter material *only* and cancel by lining through in ink

RECEIVED
FEDERAL ELECTRONIC
COMMISSION

NOV 01 10 16 AM '72



FEDERAL ELECTION COMMISSION

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

END OF ADDITIONAL MATERIAL FOR CLOSED MUR 970.

79040161304





FEDERAL ELECTION COMMISSION

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

THE FOLLOWING MATERIAL IS BEING ADDED TO THE
PUBLIC FILE OF CLOSED MUR 970.

80040173191



ENC#
11951

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 200, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203
December 21, 1979

RECEIVED
FEDERAL ELECTION
COMMISSION

AREA CODE 205
TELEPHONE 251-0906

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

'79 DEC 26 PM 2:41

Hon. Charles N. Steele
General Counsel
Federal Election Commission
Washington, D. C. 20463

005476

Re: James H. Dennis, Sr.
(MUR 970)

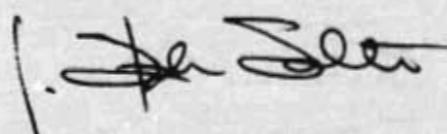
Dear Mr. Steele:

I have been terminated from further services herein by James H. Dennis, Sr. I am writing this letter to bring this matter to your attention and to request that any further correspondence be had directly with Mr. Dennis.

Please know that I appreciate your cooperation in this area of mutual concern.

Sincerely,

GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc

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GROENHOYKE AND SALTER

ATTORNEYS AT LAW

SUITE 606, TITLE BUILDING

2050 5TH AVENUE, NORTH

BIRMINGHAM, ALABAMA 35203



**CONQUER
CYSTIC
FIBROSIS**



Hon. Charles N. Steels
General Counsel
Federal Election Commission
Washington, D. C. 20463

11939

RECEIVED
FEDERAL ELECTION
COMMISSION

AREA CODE 202
TELEPHONE 201-6000

79 DEC 26 AM 9:32

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 200, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203
December 20, 1979

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

Hon. Charles N. Steele
General Counsel
Federal Election Commission
Washington, D. C. 20463

005270

Re: James H. Dennis, Sr.
(MUR 970)

Dear Mr. Steele:

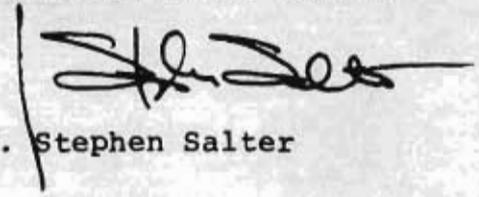
On December 20, 1979, I received your letter dated December 14, 1979, requesting full payment no later than Wednesday, December 19, 1979. I am forwarding a copy of your letter to Mr. Dennis for his information and further action herein.

This office has recently been discharged from further representation of Mr. Dennis. I do not believe that his financial condition has improved substantially since my previous correspondence. Under the circumstances, I have stopped payment on the \$2,000.00 check previously forwarded to you.

I personally enjoyed meeting with the members of the Commission's staff and appreciate their patience and cooperation during this ordeal. If I can be of further assistance to you in this matter of mutual concern, please do not hesitate to contact me.

Sincerely,

GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc

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19 DEC 28 AIO: 14

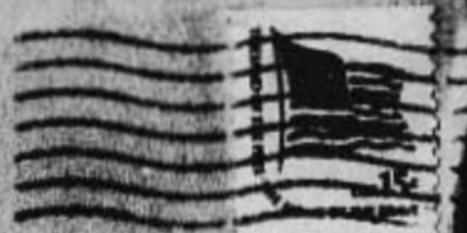
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GENERAL COUNSEL

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OFFICE OF THE
GENERAL COUNSEL

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CROSBY AND SALTER

ATTORNEYS AT LAW
BANKERS BUILDING
2000 2ND AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203



79 DEC 25 PM 2:11

Hon. Charles M. Steele
General Counsel
Federal Election Commission
Washington, D. C. 20463

ROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 500, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

30040173196



HELP GOODWILL INDUSTRIES

RECEIVED
FEDERAL ELECTION
COMMISSION



19 DEC 26 PM 2:11

Hon. William C. Oldaker
General Counsel
Federal Election Commission
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 14, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Stephen Salter
Groenendyke & Salter
Suite 500, Title Building
2030 3rd Avenue, North
Birmingham, AL 35203

RE: MUR 970

Dear Mr. Salter:

On November 1, 1979, you received a letter which notified you that the Commission had extended to your client, James Dennis, Sr., thirty days in which to submit full payment of his \$18,000 civil penalty. The extension was granted in response to your letters of September 12, 1979 and October 5, 1979, and Mr. Dennis' letter of October 15, 1979 concerning your client's present financial situation.

As of this date, we have not received the outstanding portion of Mr. Dennis' civil penalty, \$16,000. Please note that under 2 U.S.C. §437g(a)(5), the Commission may, if an agreement entered into by a person and the Commission is violated in part or in whole by such person, institute civil action for relief.

Therefore, we request the full payment of Mr. Dennis' civil penalty by Wednesday, December 19, 1979.

Sincerely,

Charles N. Steele
General Counsel

30010173197

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

12/14/79

Mr. J. Stephen Salter
Groenendyke & Salter
Suite 800, Title Building
2030 3rd Avenue, North
Birmingham, AL 35203

RE: MUR 970

Dear Mr. Salter:

On November 1, 1979, you received a letter which notified you that the Commission had extended to your client, James Dennis, Sr., thirty days in which to submit full payment of his \$18,000 civil penalty. The extension was granted in response to your letters of September 12, 1979 and October 5, 1979, and Mr. Dennis' letter of October 15, 1979 concerning your client's present financial situation.

As of this date, we have not received the outstanding portion of Mr. Dennis' civil penalty, \$16,000. Please note that under 2 U.S.C. §437g(a)(3), the Commission may, if an agreement entered into by a person and the Commission is violated in part or in whole by such person, institute civil action for relief.

Therefore, we request the full payment of Mr. Dennis' civil penalty by Wednesday, December 19, 1979.

Sincerely,

/s/
Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION

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

END OF ADDITIONAL MATERIAL FOR CLOSED MUR 970.

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FEDERAL ELECTION COMMISSION

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

THE FOLLOWING MATERIAL IS BEING ADDED TO THE
PUBLIC FILE OF CLOSED MUR 970.

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GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 906, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

RECEIVED
FEDERAL ELECTION
COMMISSION

AREA CODE 205
TELEPHONE 251-6666

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

13 AUG 13 AM 9:43

August 8, 1979

Hon. William Clyde Oldaker
General Counsel
Federal Election Committee
1325 K Street N.W., 7th Floor
Washington, D. C. 20463

Attention: Ms. Judy Thedford

503569

Re: James H. Dennis, Sr.

Dear Mr. Oldaker:

I apologize for the delay in responding to Ms. Thedford's telephonic request of August 3, 1979, in the above styled matter. The following is intended as Mr. Dennis' further clarification of certain matters:

1. All contributions made to the Cary Peck campaign were made by Mr. Dennis without the knowledge of any other persons in whose names the contributions were made. That is to say, none of the Peck campaign contributions made by Mr. Dennis were "loans" to the individuals in whose names contributions were submitted.

2. Mr. Dennis has previously notified the Peck Campaign regarding these matters and approximately one and one-half months ago received a full return of those contributions.

3. Regarding the two \$1,000.00 contributions made to the campaign of Senator Donald Stewart in the names of Andy Shadix and Max Gurley, which have previously been identified as "loans" to those individuals by Mr. Dennis, Mr. Shadix has paid back a portion of his loan and no payments have been made by Mr. Gurley. As you are aware, Mr. Dennis had undergone substantial financial reversals which have materially affected his business and necessarily his ability to compensate his employees, Mr. Shadix and Mr. Gurley. Mr. Gurley was to re-pay his loan by deductions from his salary. Due to the above financial circumstances, his compensation has not been substantial enough to justify or permit the contemplated deductions. Matters seem to be improving and it is expected that Mr. Dennis will recover from these financial reversals in the near future permitting additional compensation and/or bonuses to both Mr. Gurley and Mr. Shadix as well as other employees. At that time,

90740120129

Hon. William Clyde Oldaker
August 8, 1979
Page Two

Mr. Dennis intends to secure full repayment of the above loans.

I trust this answers your recent inquiries. I understand from Ms. Thedford that with the receipt of this information, and having previously received the response from Senator Stewart's office, that you will have all necessary factual information before you to make your decision. We are now, as we have always been, most anxious to gain closure on this matter. We are hopeful that a proposed Conciliation Agreement can be tendered to us by the end of next week with a view towards consummating same forthwith. I anticipate being in a Federal criminal trial the first few days of next week but we are planning to travel to Washington to meet and resolve these matters immediately upon notification from your office.

I look forward to hearing from you soon in this area of mutual concern.

Yours very truly,

GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc
cc: James H. Dennis, Sr.

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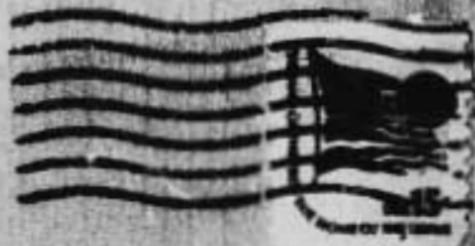
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GROENENDYKE AND SALTER

ATTORNEYS AT LAW

SUITE 200, TITLE BUILDING

2020 2ND AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203



19 AUG 13 AM 9:08

RECEIVED
FEDERAL ELECTION
COMMISSION

Hon. William Clyde Oldaker
General Counsel
Federal Election Committee
1325 K Street N.W., 7th Floor
Washington, D. C. 20463

Attention: Ms. Judy Thedford



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 25, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James H. Dennis, Sr.
P.O. Box PMB
Federal Penitentiary
Atlanta, GA

Dear Mr. Dennis:

On September 6, 1979, the Commission approved a conciliation agreement signed by you as settlement in MUR 970, in which you agreed to pay a civil penalty of \$18,000. As of this date you have not fulfilled your obligations under the conciliation agreement and paid the \$18,000.

Paragraph I of the General Conditions of the conciliation agreement which you signed provides that the Commission on its own motion may review compliance with the conciliation agreement. If the Commission believes that the agreement has been violated, it may institute a suit against you without proceeding through the compliance procedures provided for in 2 U.S.C. §437g.

On February 12, 1980, the Commission found that you had not complied with the conciliation agreement which you signed in settlement of MUR 970 as you failed to pay the \$18,000 civil penalty. Accordingly, if payment of your civil penalty is not received by Friday, February 29, 1980, the Commission has authorized the Office of the General Counsel to file a civil action for relief against you.

Sincerely,


Charles N. Steele
General Counsel

3004020132



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James H. Dennis, Sr.
P.O. Box PMB
Federal Penitentiary
Atlanta, GA

Dear Mr. Dennis:

On September 6, 1979, the Commission approved a conciliation agreement signed by you as settlement in MUR 970, in which you agreed to pay a civil penalty of \$18,000. As of this date you have not fulfilled your obligations under the conciliation agreement and paid the \$18,000.

Paragraph I of the General Conditions of the conciliation agreement which you signed provides that the Commission on its own motion may review compliance with the conciliation agreement. If the Commission believes that the agreement has been violated, it may institute a suit against you without proceeding through the compliance procedures provided for in 2 U.S.C. §437g.

On February 12, 1980, the Commission found that you had not complied with the conciliation agreement which you signed in settlement of MUR 970 as you failed to pay the \$18,000 civil penalty. Accordingly, if payment of your civil penalty is not received by Friday, February 29, 1980, the Commission has authorized the Office of the General Counsel to file a civil action for relief against you.

Sincerely,

Charles N. Steele
General Counsel

30040220133
JD. 2/20/80



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS/MARGARET CHANEY *mc*
DATE: FEBRUARY 20, 1980
SUBJECT: MUR 970 - Memorandum to the Commission
with attached letter; Received in
OCS 2-15-80, 1:43

The above-named document was circulated to
the Commission on a 24-hour no-objection basis
at 11:00, February 19, 1980.

There were no objections to the proposed letter
at the time of the deadline.

30040120134

February 15, 1960

MEMORANDUM TO: Margerie W. Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 970

Please have the attached Memo and letter distributed to the Commission on a 24 hour no-objection basis. Thank you.

30740120136

BEFORE THE FEDERAL ELECTION COMMISSION

February 11, 1980

In the Matter of
James H. Dennis, Sr.

)
)
)

MUR 970

GENERAL COUNSEL'S REPORT

I. Background

On September 6, 1979, the Commission approved a conciliation agreement signed by James H. Dennis, Sr., which contained a provision requiring the respondent to pay an \$18,000 civil penalty, as settlement of this matter. (Attachment 1).

On September 12, 1979, and October 5, 1979, Mr. Salter, counsel for Mr. Dennis, notified the Commission that he and Mr. Dennis were currently involved in four trials on unrelated counts and Mr. Dennis's current financial situation was such that he would not be able to submit the full civil penalty within the required thirty days. (Attachment 2 & 3).

Subsequently, Mr. Dennis submitted a letter to the Commission enclosing a \$2,000 check written on his counsel's client trust account and requesting additional time to submit full payment. (Attachment 4). On October 24, 1979, the Commission granted Mr. Dennis a thirty day extension for full payment of his civil penalty and notified the counsel accordingly. (Attachment 5).

30040220137

30040220138

The outstanding portion of Mr. Dennis's civil penalty was not received promptly, therefore, on December 14, 1979, the Office of the General Counsel requested full payment from Mr. Salter. Mr. Salter advised the Commission by letters dated December 20, and 21, 1979, that he no longer represented Mr. Dennis and had forwarded our letter to Mr. Dennis. His letter also advised us that payment had been stopped on the \$2,000 check previously submitted by Mr. Dennis. (Attachments 6A & B).

Attempts were made to reach Mr. Dennis telephonically with no success. Mr. Salter was contacted and he advised us that Mr. Dennis was going to enter the Federal Penitentiary in Atlanta, Georgia on or around January 28, 1980, and gave us his current telephone number. Telephone inquiry was again attempted; Mr. Dennis did not return the call.

II. Legal Analysis

Paragraph I of the General Conditions of the conciliation agreement entered into with Mr. Dennis provide that the Commission on its own motion, may review compliance with the conciliation agreement. Accordingly, if the Commission believes that the agreement has been violated, it may institute a suit against the respondent without proceeding through the compliance procedures provided for in 2 U.S.C. § 437g.

Mr. Dennis' failure to submit the \$18,000 civil penalty has violated the terms of the conciliation agreement he entered into with the Commission on September 6, 1979. Therefore, the Office of General Counsel recommends that the Commission proceed with suit.

III. Recommendations

1. Authorize the filing of a civil action for relief against James H. Dennis, Sr.
2. Approve and send the attached letter to James H. Dennis, Sr., notifying him that the Commission has authorized the filing of a civil action.

11 February 1980
DATE



CHARLES N. STEELE
GENERAL COUNSEL

Attachments

- 1 - Executed Conciliation Agreement
- 2 - Letter from Salter (09/12/79)
- 3 - Letter from Salter (10/05/79)
- 4 - Dennis Letter
- 5 - Commission Extension Letter
- 6A- Salter Letter (12/20/79)
- 6B- Salter Letter (12/21/79)
- 7 - Letter to James H. Dennis, Sr.

30040220139

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter)
James H. Dennis, Sr.) MUR 970 (79)

CONCILIATION AGREEMENT

300100140
This matter was initiated by the Federal Election Commission on the basis of information ascertained in the ordinary course of carrying out its supervisory responsibilities, and after investigation, the Commission found reasonable cause to believe that respondent James H. Dennis, Sr. (hereinafter respondent) violated 2 U.S.C. §§441a, 441b, and 441f.

NOW, THEREFORE, the Commission and respondent, having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the respondent and the subject matter of this case.
- II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. That the pertinent facts in this matter are as follows:
 - A. Respondent made contributions totalling \$23,150 to the 1978 Stewart senatorial campaign committee, Friends of Donald Stewart, of which \$22,000 was made in the names of others as follows:

Attachment I pg 1

E. Respondent made contributions aggregating \$36,150 for the 1978 calendar year.

WHEREFORE, the Federal Election Commission and respondent James H. Dennis, Sr. agree:

- I. Respondent violated 2 U.S.C. §441f by making contributions in the name of twenty-two (22) others to the Friends of Donald Stewart, and in the names of twelve (12) others to the Carey Peck For Congress Committee.
- II. Respondent violated 2 U.S.C. §441a(a)(1)(A) by making contributions in excess of \$1,000 per election to the 1978 campaigns of Senator Stewart and Carey Peck.
- III. Respondent violated 2 U.S.C. §441a(a)(3) by making contributions to federal elections aggregating in excess of \$25,000 for the 1978 calendar year.
- IV. Respondent violated 2 U.S.C. §441b by utilizing corporate funds to make the contributions to the 1978 federal campaigns of Donald Stewart and Carey Peck.
- V. Respondent agrees that he will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et seq.
- VI. Respondent will pay a civil penalty in the amount of \$18,000 pursuant to 2 U.S.C. §437g(a)(6)(B).

30010020142

GENERAL CONDITIONS:

- I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matter at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- II. It is mutually agreed that this Agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire Agreement.
- III. It is agreed that respondent shall have thirty (30) days from the date of this Agreement to implement and comply with the requirements contained herein, or to so notify the Commission.
- IV. This agreement is entered into in accordance with 2 U.S.C. §437g(a)(5)(A). Except as provided in paragraph I hereof, this agreement shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

90010220143

FEDERAL ELECTION COMMISSION

9/6/79
Date

William C. Oldaker
William C. Oldaker
General Counsel

Date

James H. Dennis, Sr.
James H. Dennis, Sr.

ATTACHMENT I pg 4

ACC 11011

904100

Shed

GROENENDYKE AND ^{SALTER}
ATTORNEYS AT LAW
SUITE 800, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

RECEIVED
FEDERAL ELECTION
COMMISSION

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

AREA CODE 205
TELEPHONE 251-6664

79 SEP 14 PM 12:29

September 12, 1979

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

Re: MUR 970

Dear Mr. Oldaker:

I appreciate your letter of September 7, 1979, and its enclosures. Obviously, we are in agreement and appreciate the Commission's decision regarding the proposed Conciliation Agreement. As I indicated to you earlier, we are involved in substantial litigation in the Northern District of Alabama. Initially, the Government's Indictment regarding unrelated matters was cast in ten counts. For a variety of reasons, the Government's Indictment was segregated into three trials. I have been involved in the trial of the first part of these cases beginning on Friday, September 7, 1979, which has just concluded on Tuesday, September 11, 1979. We are now due to begin trial of the major and most substantial part of the case beginning on September 17, 1979, and anticipate the trial of this case will last approximately ten to fifteen trial days (approximately two to three weeks).

I bring these matters to your attention with a request for your continued patience and cooperation in this area of mutual concern. As you know, this office is a partnership consisting of myself and Mr. Richard Groenendyke and at the present time we are rather inundated with various matters facing this office including the above trial commitments.

As we previously indicated, the Government's actions in these matters consumes the bulk of both mine and my client's time and energies, let alone his resources. We anticipate being able to retire the entire penalty agreed upon, but I must respectfully ask a little additional time to resolve this matter.

Attachment II pg 1

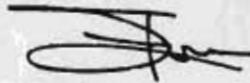
3 0 0 1 0 2 2 0 1 4 4

Hon. William C. Oldaker
September 12, 1979
Page Two

It is my intention to identify my client's available assets for anticipated closure in this matter as soon as possible. I must admit that in view of the continuous trial commitments which necessarily impede his financial affairs, that we might need to ask additional consideration on behalf of the Commission with regard to the payment. I would prefer that James and I travel to Washington and meet with you in the near future to discuss these areas of mutual concern with a view towards satisfying the generous disposition of this matter by the Commission. Again, it may well be that we can retire the entire penalty in the immediate future. Unfortunately, it might also be that I might request a substantial "down payment" and terms agreeable to all parties. I must say that I am not at liberty at this moment to commit to the proposed thirty (30) day payment time frame although I am not stating that same cannot be consummated.

I intend to confer with my client in the next few days with a view towards bringing to your attention our best potential efforts in this regard. If you feel that these matters will be totally unacceptable to the Commission, I would appreciate your notifying me immediately. We are interested in resolving this matter to the mutual satisfaction of all affected interests and I do not wish to jeopardize in any way our present agreement. I look forward to hearing from you soon in this area of mutual concern.

Highest personal regards,
GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc
cc: James H. Dennis, Sr.

Attachment II pg 2

90040220145

904431

600#
11300

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 800, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

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FEDERAL ELECTION
COMMISSION

AREA CODE 205
TELEPHONE 251-6666

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

October 5, 1979

'79 OCT 9 AM 9:26

Tedford

Hon. William C. Oldaker
General Counsel
Federal Election Commission
Washington, D. C. 20463

Re: MUR 970

Dear Mr. Oldaker:

We have remained in trial since September 7, 1979, as I previously advised you. We are now beginning our fourth week of trial beginning Monday, October 8, 1979, notwithstanding that it is a Federal holiday.

My client has been completely consumed with the present trial commitment as I have. Obviously, this has impaired his financial circumstances and his ability to make progress in finalizing the settlement herein. We expect to complete the trial by the middle of this week and I will then make a specific proposal to you or include payment in full in my next letter.

Please know that we appreciate your continued cooperation in this area of mutual concern.

With kindest personal regards,

GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc

cc: James H. Dennis, Sr.

12:21 PM 9 100 61

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OFFICE OF THE
GENERAL COUNSEL

Attachment III

9004000146

MUR 970 (793)

11372



Dennis Mining Supply and Equipment, Inc.

RECEIVED
GENERAL ELECTION
COMMISSION

James Dennis
President

2912 Lomb Avenue
Birmingham, Alabama 35203
(205) 780-0895

79 OCT 16 AM 10:34

Dear Mr. Pender -

This is all the money I
can spare for the moment. I
wish I could have sent the
balance, but it looks like
it will be 30 to 60 days before
I will submit the balance. However
I will send additional monies as
I can spare them.

I hope this meets favorably
with the Counsel.

Sincerely
James Dennis

Attachment IV pg 1

79 OCT 16 PM 2:41

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

GROENENDYKE & SALTER, ATTORNEYS

GENERAL CLIENT TRUST ACCOUNT

SUITE 500, TITLE BUILDING PH. (205) 251-6666
BIRMINGHAM, AL 35203

163

PAY TO THE
ORDER OF

James H. Dennis Sr. & Federal Election Comm. 12/15 1979 \$2000.00

Two thousand dollars

DOLLARS



CENTRAL BANK
OF BIRMINGHAM
BIRMINGHAM, ALABAMA

GROENENDYKE & SALTER, ATTORNEYS

FOR F.E.C.

[Signature]

⑈000163⑈ ⑆01062001189⑆ 075 1492 1⑈

James H. Bond

Attachment IV pg 3



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 25, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. J. Stephen Salter
Groenendyke and Salter
Suite 500, Title Building
2030 3rd Avenue, North
Birmingham, AL 35203

RE: MUR 970

Dear Mr. Salter:

- This letter is to acknowledge receipt of Mr. Dennis' letter requesting an additional 30 to 60 days in which to submit full payment of his \$18,000 civil penalty, and the enclosure of a \$2,000 check dated October 15, 1979.

On October 22, 1979, the Commission reviewed your September 12, 1979 letter and Mr. Dennis' request for an extension. The Commission voted to give Mr. Dennis thirty days from your receipt of this notification to submit full payment of the civil penalty to the Commission. Should Mr. Dennis fail to meet this deadline, the Commission may institute civil action for relief in the U.S. District Court for the District of Columbia.

If you have any questions, please contact Judy Thedford or Hal Ponder.

Sincerely,

William C. Oldaker
General Counsel

cc: James Dennis, Sr.

Attachment I

30040120150

Shedford

EC# 11939

GROENENDYKE AND SALTER
ATTORNEYS AT LAW
SUITE 900, TITLE BUILDING
2030 3RD AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

RECEIVED
FEDERAL ELECTION
COMMISSION

AREA CODE 205
TELEPHONE 251-6666

'79 DEC 26 AM 9:32

RICHARD A. GROENENDYKE, JR.
J. STEPHEN SALTER

December 20, 1979

Hon. Charles N. Steele
General Counsel
Federal Election Commission
Washington, D. C. 20463

005470

Re: James H. Dennis, Sr.
(MUR 970)

Dear Mr. Steele:

On December 20, 1979, I received your letter dated December 14, 1979, requesting full payment no later than Wednesday, December 19, 1979. I am forwarding a copy of your letter to Mr. Dennis for his information and further action herein.

This office has recently been discharged from further representation of Mr. Dennis. I do not believe that his financial condition has improved substantially since my previous correspondence. Under the circumstances, I have stopped payment on the \$2,000.00 check previously forwarded to you.

I personally enjoyed meeting with the members of the Commission's staff and appreciate their patience and cooperation during this ordeal. If I can be of further assistance to you in this matter of mutual concern, please do not hesitate to contact me.

Sincerely,

GROENENDYKE AND SALTER

J. Stephen Salter

JSS/mc

19 DEC 26 A10: 36

19 DEC 26 A10: 14

RECEIVED
GENERAL COUNSEL

RECEIVED
GENERAL COUNSEL

Attachment II - A

30040220151

Shepard

GROENENDYKE AND SALTER

ATTORNEYS AT LAW

2030 3RD AVENUE, NORTH

BIRMINGHAM, ALABAMA 35203

December 21, 1979 DEC 26 PM 2:11

AREA CODE 205
TELEPHONE 251-6666

COMMUNICATIONS SECTION
FEDERAL ELECTION COMMISSION

Hon. William C. Oldaker
General Counsel
Federal Election Commission
Washington, D. C. 20463

005472

Re: James H. Dennis, Sr.
(MUR 970)

Dear Mr. Oldaker:

I have been terminated from further services herein by James H. Dennis, Sr. I am writing this letter to bring this matter to your attention and to request that any further correspondence be had directly with Mr. Dennis.

Please know that I appreciate your cooperation in this area of mutual concern.

Sincerely,

GROENENDYKE AND SALTER



J. Stephen Salter

JSS/mc

Attachment VI-B

30040020152



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James H. Dennis, Sr.
P. O. Box PMB
Federal Penitentiary
Atlanta, Georgia

Dear Mr. Dennis:

On September 6, 1979, the Commission approved a conciliation agreement signed by you as settlement in MUR 970, in which you agreed to pay a civil penalty of \$18,000. As of this date you have not fulfilled your obligations under the conciliation agreement and paid the \$18,000.

Paragraph I of the General Conditions of the conciliation agreement which you signed provides that the Commission on its own motion may review compliance with the conciliation agreement. If the Commission believes that the agreement has been violated, it may institute a suit against you without proceeding through the compliance procedures provided for in 2 U.S.C. § 437g.

On _____, 1980, the Commission found that you had not complied with the conciliation agreement which you signed in settlement of MUR 970 as you failed to pay the \$18,000 civil penalty. Accordingly, the Commission has authorized the Office of General Counsel to file a civil action for relief against you.

Sincerely,

Charles N. Steele
General Counsel

Attachment 7

30740220153



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSIONER

80 FEB 15 P 1: 43

MEMORANDUM TO: The Commission
FROM: Charles N. Steele *CS*
General Counsel
SUBJECT: MUR 970- Letter
DATE: February 15, 1980

Attached for the Commission's approval is a revised letter to be sent to the respondent, James H. Dennis, Sr. The revised letter has been changed to allow Mr. Dennis until Friday, February 29, 1980 to submit his \$18,000 civil penalty before the Commission will institute civil action for relief against him.

30040000154



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James H. Dennis, Sr.
P.O. Box PMB
Federal Penitentiary
Atlanta, GA

Dear Mr. Dennis:

On September 6, 1979, the Commission approved a conciliation agreement signed by you as settlement in MUR 970, in which you agreed to pay a civil penalty of \$18,000. As of this date you have not fulfilled your obligations under the conciliation agreement and paid the \$18,000.

Paragraph I of the General Conditions of the conciliation agreement which you signed provides that the Commission on its own motion may review compliance with the conciliation agreement. If the Commission believes that the agreement has been violated, it may institute a suit against you without proceeding through the compliance procedures provided for in 2 U.S.C. §437g.

On February 12, 1980, the Commission found that you had not complied with the conciliation agreement which you signed in settlement of MUR 970 as you failed to pay the \$18,000 civil penalty. Accordingly, if payment of your civil penalty is not received by Friday, February 29, 1980, the Commission has authorized the Office of the General Counsel to file a civil action for relief against you.

Sincerely,

Charles N. Steele
General Counsel

5510010400



FEDERAL ELECTION COMMISSION

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

END OF ADDITIONAL MATERIAL FOR CLOSED MJR 970.

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