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September 17, 2004

Jeff S. Jordan, Esq.  
Supervisory Attorney  
Complaints Examination and  
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Federal Election Commission  
999 E Street, N. W.  
Washington, DC 20463

Re MUR 5501  
Teresa Heinz Kerry

Dear Mr. Jordan:

Reference is made to your letter of August 9, 2004, enclosing a complaint your Commission received from one Marcus G. McDonald. We are counsel to Mrs. Teresa Heinz Kerry and respond on her behalf. While it is difficult to understand the nature of Mr. McDonald's complaint, we have previously responded to a complaint dealing with allegations relative to various 527 entities (see our letter of May 28, 2004, attached as Exhibit A) and we incorporate that response herein. To be clear, there is no connection between any 527 entity and Mrs. Teresa Heinz Kerry as she has neither made contributions to such entities nor has she in any way managed or coordinated their activities.

The only new item in Mr. McDonald's complaint seems to relate to his reference to the Tides Foundation and we respond herein directly to that allegation. The allegation appears to be that Mrs. Heinz Kerry, through charitable foundations, has made contributions to the Tides Foundation for the purpose of supporting radical or terrorist organizations. Such allegation, which has been running around for some months and has been discredited by a non-partisan consumer advocates organization, is categorically denied.

While the Howard Heinz Endowment, of which Mrs. Heinz Kerry is the chair and one of ten directors, and the Vira I. Heinz Endowment, of which Mrs. Heinz Kerry is one of eight directors, (together "the Endowments") have over the years made grants to the Tides Foundation and its related service organizations, the Tides Center and the Tides Center for Western Pennsylvania, all such grants have been for specifically described charitable endeavors having to do with Pittsburgh and its surrounding environs. None has been for any radical or terrorist organizations as alleged by Mr. McDonald.

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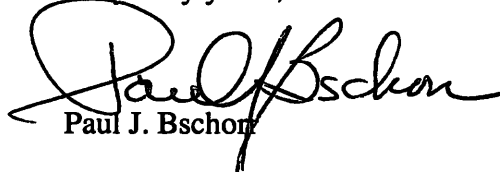
Attached as Exhibit B is a schedule prepared by these Endowments in connection with a press release recently issued by the President of the Endowments, Max King, showing the nature and amounts of those grants over the last 10 years. Also attached as Exhibit C is the press release issued by Mr. King on behalf of the Endowments on this subject which references an independent investigation conducted by FactCheck.Org, a non-partisan "consumer advocate for voters" which is a project of the Annenberg Public Policy Center of the University of Pennsylvania that confirms that allegations such as those being made by Mr. McDonald are false. Attached as Exhibit D is a copy of FactCheck.Org's report of that investigation. In addition, both the Endowments and the Tides Foundation and Tides Center maintain extensive websites on which full details of their activities are set forth. The Endowments' website is [www.heinz.org](http://www.heinz.org). The Tides' website is [www.tides.org](http://www.tides.org).

As indicated in those materials, the Tides Center is a provider of management and administrative services which is used by the Endowments to incubate an array of specific nonprofit programs benefiting the Pittsburgh area. It is a mistake to assume that grant money is fungible or that funds granted for a specific program somehow benefit other activities of the Tides Center. By legally binding contract, every penny of the Endowment's support to Tides must be used for the specifically identified project. Attached as Exhibits E and F are sample versions of the contractual relationships that are entered into between the Endowments and the Tides Center in connection with specific grants.

Finally, information about each of the Tides- related grants, just as with all other grants made by the Endowments, is readily available in public filings known as Form 990 PF, filed with the Internal Revenue Service and posted on the Endowments' website. As stated by Mr. King in his press release: "the Endowments have at all times scrupulously observed both the letter and spirit of the law barring foundations from partisan activity."

Neither the Endowments nor Mrs. Heinz Kerry personally have any involvement in any of the matters complained of by Mr. McDonald and we respectfully submit that his complaint as it relates to Mrs. Heinz Kerry should be dismissed without any further action being taken.

Very truly yours,

  
Paul J. Bschor

Enclosures