FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 1042

Date Filmed 6/16/80 Camera No. --- 2

Cameraman GPC

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 3, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. James Schoener
Jenkins, Nystrom and
  Sterlacci, P.C.
2033 M Street, N.W., Suite 504
Washington, D.C.   20036

Re: MUR 1042

Dear Mr. Schoener:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities and information supplied by Mr. John Henss, Treasurer of Friends of Roger Jepsen, the Federal Election Commission, on February 5, 1980, found reason to believe that your client, Mrs. Dee Jepsen, may have violated section 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended and instituted an investigation of this matter.

After considering the evidence presented by Senator Roger Jepsen in a letter dated March 13, 1980, the Commission decided, on May 30 , 1980, to take no further action and to close its file in this matter.

If you have any questions, please direct them to Jonathan Levin, the staff member assigned to this matter, at 202/523-4060.

Sincerely,

Charles N. Steele
General Counsel

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 3, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John L. Henss, Treasurer
Friends of Roger Jepsen
P.O. Box 1322
Des Moines, Iowa 50305

Re: MUR 1042

Dear Mr. Henss:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities and information supplied by you, the Federal Election Commission, on June 8, 1979, found reason to believe that your committee may have violated section 441a(f) of the Federal Election Campaign Act of 1971, as amended and instituted an investigation of this matter.

After considering the evidence presented by Senator Roger Jepsen in a letter dated March 13, 1980, the Commission decided, on May 30, 1980, to take no further action and to close its file in this matter.

If you have any questions, please direct them to Jonathan Levin, the staff member assigned to this matter, at 202/523-4060.

Sincerely,

Charles N. Steele
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1042
Friends of Roger Jepsen	)	
Dee Jepsen	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on May 30, 1980, the Commission decided by a vote of 6-0 to take the following actions regarding MUR 1042:

1. Take no further action.
2. Close the file.
3. Send the letters as attached to the General Counsel's Report dated April 22, 1980.

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

Attest:

5/30/80
Date

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

8 0 0 4 0 1 9 2 4 3 3

Report Signed:	5-23-80
Received in Office of the Commission Secretary:	5-27-80, 5:02
Circulated on 48 hour vote basis:	5-28-80, 11:00

May 27, 1980

MEMORANDUM TO: Marjorie W. Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 1042

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

Thank you.

80040192434

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

80 MAY 27 P5: 02

BEFORE THE FEDERAL ELECTION COMMISSION
April 22, 1980

In the Matter of)
) MUR 1042
Friends of Roger Jepsen)
Dee Jepsen)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter involves the receipt by the Friends of Roger Jepsen (the Committee) of a $35,000 loan from the candidate, Roger Jepsen, in connection with the Republican Senatorial Primary in Iowa. On its 10 Day Pre-Primary Report for 1978, the Committee reported the receipt of a loan of $35,000 from the candidate on April 27, 1978. The note for this loan was due on demand with nine per cent annual interest. The amended version of this report also indicated that the origin of this loan was a $35,000 loan from the Security State Trust and Savings Bank to Roger and Dee Jepsen (the candidate's wife) on April 27, 1978. For this loan, the principal was due on demand with interest at nine per cent payable semi-annually.

Based on this information, the Reports Analysis Division (RAD) decided to seek more information as to the circumstances of the bank loan and as to the possibility that Mrs. Jepsen's actions with respect to the loan placed the Committee and her in violation of the 2 U.S.C. § 441a limits on contributions to a candidate's authorized political committee.

On June 8, 1979, after receipt of a response from the Committee Treasurer, Mr. John Henss, to a surface violation letter, the Commission found reason to believe that the Committee violated 2 U.S.C. § 441a(f) by accepting the loan. On June 14, 1979, Mr. Henss responded in writing that:

> ...it is normal procedure for a bank in making a loan to any individual to require the individual's spouse to sign the loan along with the borrower. The funds loaned by Roger Jepsen to Friends of Roger Jepsen were assets under the joint dominion and common control of Roger and Dee Jepsen.

Mr. Henss included a copy of the Committee's repayment note to Roger Jepsen. On June 25, Mr. Henss submitted an additional statement that "the loan was obtained on the basis of known assets, familiar to the bank, under the joint dominion and common control of Mr. and Mrs. Jepsen."

These responses were not considered adequate and, on October 4, 1979, RAD referred the matter to the Office of General Counsel (OGC). On February 5, 1980, the Commission found reason to believe that Dee Jepsen had violated the 2 U.S.C. § 441a(a)(1)(A) prohibition against making excessive contributions to a candidate's authorized political committee. The Commission notified the respondent and Senator Jepsen of this finding and enclosed a list of questions as to the ownership of the assets serving as a basis for the bank loan.

On March 19, the Office of General Counsel received a written response from Senator Jepsen stating that Mrs. Jepsen's participation in the transaction was negligible, and that the loan was to him alone based on his assets. (See Attachment) Senator Jepsen provided copies of loan-related documents, pursuant to the Commission's request, and used them to support his answers.

Senator Jepsen noted that the bank's ledger card and the note indicate the loan to be unsecured. He also stated that all of the assets totalling $190,500.50 listed in the loan application were acquired by him with his "own efforts and earnings," except an item of real estate designated "farm trust" of which his share is $40,000. He stated that the only property owned by his wife and him jointly was their home valued at $130,000 with a $30,000 mortgage still payable. He concluded this summary of his assets by stating that "those other personal assets, over which [he] had complete control, give ample coverage to the loan and justified the transaction by the bank in its ordinary course of business."

Senator Jepsen went on to discuss Mrs. Jepsen's lack of participation in the loan transaction by pointing to the fact that the list of assets was signed by him alone with no indication of a co-maker. He also pointed out that the bank's ledger card indicates the absence of a co-maker or endorser and that the loan extension agreement was signed only by him. He stated that Mrs. Jepsen's signature on the note was "simply a formality requested by the bank" and not an indication that she was a co-maker or endorser. Senator Jepsen also indicated that the bank did not issue a check for the proceeds of the loan, but established a bank account in his name only and, at his direction, transferred the full amount he had borrowed to the Committee.

LEGAL ANALYSIS

2 U.S.C. § 441a(a)(1)(A) prohibits any person from making contributions aggregating in excess of $1,000 to an authorized committee of a candidate with respect to a federal election. 2 U.S.C. § 441a(f) prohibits a political committee from knowingly accepting such contributions. The term "contribution" includes loans. 2 U.S.C. § 431(8)(A)(i), formerly 2 U.S.C. § 431(e)(1). While there is no limit on the amount of personal funds a candidate may contribute to his own campaign, the term "personal funds," consistent with the Supreme Court's decision in Buckley v. Valeo, 424 U.S. 1, 52-54 (1976), is defined by the regulations. Assets of an immediate family member of a candidate are considered "personal funds" of the candidate only if they were "... assets to which at the time he ... became a candidate the candidate had legal and rightful title, or ... the right of benefical enjoyment, under applicable State law, and which the candidate had legal right of access to or control over ..." 11 C.F.R. § 110.10(b)(1), Advisory Opinions 76-26, 76-74.

In this matter, the $35,000 which the Committee listed as a loan from Roger Jepsen originated as a bank loan to Senator Jepsen. The Committee Treasurer's statements that the loan was "obtained on the basis of known assets... under the joint dominion and control of Mr. and Mrs. Jepsen" raised the possibility that assets of Mrs. Jepsen's exceeding $1,000 in value and not within the definition of "personal funds" of Senator Jepsen were used as security for the loan, in violation of 2 U.S.C. § 441a(a)(1)(A). However, the loan was unsecured as indicated by the bank's ledger card and the note.

Senator Jepsen has indicated that the bank gave this loan after obtaining complete information as to his assets and liabilities. The loan application submitted to the bank lists Senator Jepsen's net assets totalling $190,000. The only asset in which there is any evidence of an interest on Mrs. Jepsen's part is the Jepsen's home which was valued at $130,000 with a mortgage liability of $30,000. Thus, Senator Jepsen's assets apart from his wife's interest in the home substantially exceeded the amount of the loan.

Mrs. Jepsen's signature on the note raises the question as to whether or not she was a co-maker, guarantor, or endorser and, therefore, a contributor according to 11 C.F.R. § 100.7(a)(1)(i), formerly 11 C.F.R. § 100.4(a)(1)(i). The capacity that she has assumed on the note is ambiguous. The ambiguity may be interpreted to indicate she was an endorser. 1/ However, the line on the bank ledger

---

1/ Iowa Code Annotated § 554.3402 states: "Unless the instrument clearly indicates that a signature is made in some other capacity it is an endorsement."

card asking for the signature of "Co-maker, Endorser, Description of Collateral or Security Pledged" is left blank. Furthermore, Mrs. Jepsen's signature does not appear on any other instruments. The loan application listing assets and liabilities has only Senator Jepsen's signature with the second signature left blank. The co-debtor signature line on the loan extension agreement is left blank. The account to which the funds were transferred was stated to be in the name of Roger Jepsen alone. Even if Mrs. Jepsen's signature technically made her a party to the note, her participation in the transaction was minimal. While it would seem that Mrs. Jepsen's signature appeared on the note because of her co-ownership of the house, the assets of Senator Jepsen alone were amply sufficient to cover re-payment of the loan and the bank chose not to deal in any further way with Mrs. Jepsen.

Therefore, the General Counsel recommends that the Commission take no further action and close the file in this matter.

III. GENERAL COUNSEL'S RECOMMENDATION

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

23 May 1980
Date

Charles N. Steele
General Counsel

Attachments

Letter and Documents from Respondent
Letters to Respondents (2)

ROGER W. JEPSEN
5327 DIRKSEN SENATE OFFICE BUILDING
(202) 224-3254

COMMITTEES:
AGRICULTURE
ARMED SERVICES
JOINT ECONOMIC

United States Senate

WASHINGTON, D.C. 20510

OGC # 754

March 13, 1980

807002

80 MAR ... P12:35

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

Re: MUR 1042 (79)

Dear Chairman Tiernan and Commissioners:

In response to your letter of February 26, 1980 and the Interrogatories and Request for Documents enclosed, I submit the following information. I am sending this response although I believe that this inquiry is not justified by the terms of the Act, and I consider the fact that a man's wife has signed a note at the request of a lending bank not to be the kind of evil the Congress was addressing when it enacted the Federal Election Campaign Act.

Attached to this letter is a copy of the application for a loan I signed with the Security State Trust and Savings Bank of Bettendorf, Iowa. This application was filed by me indicating my assets and liabilities. The assets listed are all assets acquired by me from my own efforts and earnings except the item of real estate designated "farm trust" (of which my share is $40,000) which represents farm property in trust for my benefit, owned equally by my brother and sister and me.

During our marriage, my wife was not employed outside the home to any significant extent. The only property owned by my wife and me jointly consists of the item of real estate (our home at 2330 Harrison, Davenport, Iowa). Mrs. Jepsen does not have a sole and separate estate or other significant assets. Therefore, those other personal assets, over which I had complete control, give ample coverage to the loan and justified the transaction by the bank in its ordinary course of business. The application further indicates I was making this loan without co-maker since that section of the application is blank and the classification at the top is also not executed.

As the second set of documents attached, you will find the note and the bank's ledger card--indicating the note to be "unsecured", and it indicates there was no co-maker or endorser. In the banking community of our part of Iowa, many short term loans are made on this basis. The procedure followed by the bank was its normal practice for this type of loan.

The signature of Mrs. Jepsen on the note was simply a formality requested by the bank. The bank did not issue a check, but set up a bank account in the sole name of Roger W. Jepsen, and later, at my direction, the bank transferred to my principal campaign committee account the full amount I had borrowed.

A third item from the bank records is the extension agreement; and as you will note, it is signed only by me. F.E.C. filings will show this note has been completely paid as of January 1980 as well as the obligation from my campaign committee to me. The only documents relating to this loan are furnished; there was no loan agreement other than the note, and there was no security agreement since the note was unsecured.

I was surprised when I received your letter, since I thought that this matter had been concluded in June of 1979. It seems to me that a great deal of time and effort are being expended over a simple formality of my wife's signature on the note for a loan obtained on the basis of my assets. I hope this letter will conclude this questioning.

Sincerely,

Roger W. Jepsen

Roger W. Jepsen

RWJ:dw

Confidential Personal Statement To:

(1)

SECURITY STATE TRUST AND SAVINGS BANK
1710 Grant Street, Bettendorf, Iowa 52722
Phone (319) 355-7101

☐ Individual Credit ☐ Joint Credit With Spouse ☐ Guarantor ☐ Joint Credit With Other

NAME Roger V. Jepsen PHONE 326-2759
ADDRESS 2330 Harrison CITY Davenport STATE Iowa ZIP 52803

For the purpose of procuring and maintaining credit from time to time in any form whatsoever with the above named Bank, for claims and demands against the undersigned, the undersigned submits the following as being a true and accurate statement of his, her or their financial condition. The Bank is authorized to make all inquiries it may deem necessary to verify the accuracy of the information contained herein. Please do not leave any questions unanswered.

ASSETS		LIABILITIES	
Cash on hand and in Banks	1500.00	Notes payable to Banks	
U.S. Government securities		Secured	[illegible]
Cash surrender value of Life insurance—see Schedule IV	[illegible]	Unsecured	
Listed Securities—see Schedule I		Notes payable to relatives	
Unlisted Securities—see Schedule I	[illegible]	Notes payable to others	
Accounts and Notes Receivable Due from relatives and friends		Accounts and bills due	
Accounts and Notes Receivable Due from others—good		Taxes on real estate	
Accounts and Notes Receivable Doubtful	[illegible]	Mortgage payable on Real Estate—see Schedule II	30,000.00
Real Estate owned—see Schedule II	[illegible]	Chattel Mortgages and other Liens Payable	
Automobiles	[illegible]	Other debts—itemize	
Personal Property	[illegible]		
Other assets—itemize [illegible]	[illegible]	TOTAL LIABILITIES	[illegible]
		NET WORTH	[illegible]
TOTAL ASSETS	[illegible]	TOTAL LIABILITIES AND NET WORTH	[illegible]

SOURCE OF INCOME

Income from alimony, child support, or maintenance payments need not be revealed, but if it is, the Bank may make relevant inquiries.

Salary	$ [illegible]
Bonus and Commissions	$
Dividends	$
Real Estate Income	$
Other Income—itemize [illegible]	[illegible]
	$
	$
	$
	$
TOTAL	[illegible]

CONTINGENT LIABILITIES

As endorser or co-maker	$
On leases or contracts	$
Legal claims	$
Provisions for Federal Income Taxes	$
Other special debt	$
Alimony	$
Child support	$
Maintenance	$
TOTAL	$

EMPLOYMENT INFORMATION

Employer [illegible]
Address [illegible]
Position [illegible] Years there 3
Social Security number

COMPLETE THE FOLLOWING IF APPLYING FOR JOINT CREDIT WITH SPOUSE OR SECURED CREDIT

Spouse's name
Home address
Employer
Address
Position Years there
Social Security number Salary

Income from alimony, child support, or maintenance payments need not be revealed, but if it is, the Bank may make relevant inquiries.

Source and amount of other income

Spouse's interest, if any, in any of the aforementioned assets

GENERAL INFORMATION

Date of birth [illegible] Number of Dependents [illegible]

Personal bank accounts carried at [illegible]

[illegible]

CONTINUED ON REVERSE SIDE

0 0 4 0 + 9 2 4 4 4

I—SCHEDULE OF STOCKS AND BONDS OWNED

Description	In name of	Market value
[illegible]	Roger Jepsen	$32,000

II—SCHEDULE OF REAL ESTATE OWNED

Description of property and improvements	Date of acquisition	Title in name of	Cost	Market value	Mortgages	Mortgage Amount	Mortgage Maturity
[illegible]	[illegible]	[illegible]		40,000	—		
[illegible]		[illegible]		15000	—		

III—SCHEDULE OF MORTGAGES OWNED OR REAL ESTATE SOLD ON CONTRACT

Description of property covered	Date of acquisition	In name of	Maturity	Amount
[illegible]	[illegible]	Roger Jepsen and Dee Jepsen	—	—

IV—SCHEDULE OF LIFE INSURANCE CARRIED

Amount	Name of Company	Beneficiary	Cash surrender value	Loans
[illegible]	[illegible]	Family	$8000	

GIVE NAMES OF BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED

Name	High credit	Basis	Year
[illegible]	—		

Do you have a will? Yes If yes, who is the executor? [illegible] & wife

The undersigned agrees that if any changes occur that materially reduce the means or ability of the undersigned to pay all claims or demands against him, her or them, the undersigned will immediately and without delay notify said Bank, and unless the Bank is so notified it may continue to rely upon the statement herein given as a true and accurate statement of the financial condition of the undersigned as of the close of business. The undersigned also acknowledges receipt of a written Equal Credit Opportunity Act notice on the date hereof.

4-30 1978
Date signed

Roger Jepsen
Signature

19
Date signed

Signature

Rev. 7/78 BB-91

(For use on loans without collateral or on prior committed advancement on secured loan)

Debtor represents and warrants that the proceeds of this loan will be used primarily for a personal, family, household or agricultural purpose and that the loan is not for the purpose of enabling Debtor to buy or lease from a particular seller or lessor. (Strike if not applicable)

1. Proceeds $35,000.00 (1)

OTHER CHARGES (not part of "Finance Charge")

★2a. Credit Life insurance for term of loan
Debtor only ☐ Debtor & Spouse ☐ } check one only
Debtor & Insurable Interest ☐ } $________ (2a)

★2b. Credit Accident & Health Ins. (Debtor only) for term of loan $________ (2b)

2. TOTAL OTHER CHARGES (2a+2b) .... $ -0- (2)

3. Amount Financed (1+2) $35,000.00 (3)

4. FINANCE CHARGE (Interest) $1,373.28 (4)

5. ANNUAL PERCENTAGE RATE ________ %

6. TOTAL OF PAYMENTS (sum of payments scheduled to repay Indebtedness 3+4) $36,373.28 (6)

which total of payments Debtor (herein collectively with Co-Debtor, if any, called Debtor) jointly and severally promises to pay to [illegible]

in ______ equal installments of $________ each and one final installment of $________ all payable on the same day of each successive month beginning on the ______ day of ____________, 19____ or as follows: (date and amount of each payment) Principal due on demand; Interest payable [illegible]

Any installment which is more than twice the amount of an otherwise regularly scheduled equal installment is a BALLOON PAYMENT and may be refinanced at the time it is due without penalty under terms no less favorable to Debtor than the terms of the original transaction unless the transaction is primarily for an agricultural purpose or the payment schedule is adjusted to the seasonal or irregular income of the Debtor in which case the balloon payment may be refinanced only as the then parties may agree as of its due date. The insurance charges, if any, and the FINANCE CHARGE set forth in Items 2 and 4 [illegible] payments will be paid on the dates due. If FINANCE CHARGE is not precomputed (Simple Interest): rate of FINANCE CHARGE is the Annual Percentage Rate applied on a per annum basis to the Amount Financed remaining from time to time unpaid; all payments shall be applied first to any accrued finance charges then to the accumulated FINANCE CHARGE and any remainder subtracted from any deficiency [illegible] of the Amount Financed; after maturity the rate of FINANCE CHARGE on the unpaid Amount Financed shall be at the same rate as before maturity which Debtor promises to pay.

★CREDIT LIFE AND ACCIDENT AND HEALTH. Any Credit Life or Accident & Health Insurance for which a charge or premium is included as part of Debtor's obligation, IS NOT REQUIRED BY LENDER. Debtor, however, first having seen and examined the cost of such insurance, for the term of the loan, voluntarily desires it. Said costs are $________ [illegible]. Co-Debtor NOT insured unless also spouse of Debtor and election made in 2a opposite★.

[illegible]

(Co-Debtor's Signature to [illegible])

Failure to make a payment within 10 days of the time required shall be a default. Upon the expiration of the [illegible] after default, holder may at its option accelerate the maturity of the unpaid balance. If any precomputed installment is not paid in full within 10 days after its due date, as originally scheduled or as deferred, Debtor shall pay a delinquency charge in an amount not exceeding the greater of the following: (a) a single charge of 1½% of the unpaid amount of the installment but not in excess of $5.00, or (b) 1½%, but not in excess of 1/12 of the Annual Percentage Rate, per month applied to the unpaid amount of the installment for the period that is delinquent.

On prepayment in full, if the earned FINANCE CHARGE is less, a minimum charge of $5.00 shall be due if the amount financed is $75.00 or less, or $7.50 if the amount financed is more. [illegible]

Debtor hereby authorizes holder and its agents to communicate with Debtor's spouse in connection with this transaction and the collection of the debt evidenced hereby and Debtor does hereby consent to such communication.

★This note is executed pursuant to a security agreement check box ☐ Date of security agreement is ________

NOTICE TO CONSUMER—Do not sign this paper before you read it. You are entitled to a copy of this paper. You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned charges in accordance with law. If you prepay the unpaid balance, you may have to pay a minimum charge not greater than seven dollars and fifty cents ($7.50).

Address: 2333 Harrison
(Number and Street)

Davenport, Iowa 52803
(Town) (State) (Zip Code)

(Signature) (Soc. Sec. #)

(Signature) (Soc. Sec. #)

Phone (Phone) (Co-Signer) (Signature) (Soc. Sec. #)

☐ Customer ☐ Finance ☐ C.V. ☐ Precomputed ☐ Simple Interest

Form New T & L — Rev. Oct. 1973 — Maynard Printing, Inc., Des Moines, Iowa

TRIPLICATE — For (Holder's of Consumer)

?SEN, ROGER

5913 Wiltshire Drive
[illegible], MARYLAND 20816

621920

?SEN, ROGER — 2333 Harrison St., Dav., Ia 52803 — 4-24-79 — 11392.16

Name	Address	Loan No
?SEN, ROGER	2333 Harrison St., Dav., Ia 52803	11392.16

Amount	Rate	Date	Term	Maturity	Loan Officer
35,000.00	9. %	April 26, 1978	demand	~~demand~~ 4-24-79	WJG

No. of Payments	1st Payment Due	Subsequent Payments Due	Current Through or Paid in Full
?mand			

?secured
Co-Maker, Endorser, Description of Collateral or Security Pledged

Special Remarks	Loan Charge	Classification
?terest payable semi-annually		P U

51-3

M.T. 10/26/78
4/26/79

Date	Interest Amt.	Interest Paid To	Principal Amt. Paid	Bal. Unpaid
10/26	1578.30	10/26	—	35,000
4/26/79	1[illegible]	4/26	35,000	

PAID BY RENEWAL
APR 26 1979

PAID 4/26/79

Date [illegible]

By mutual agreement, the attached n[redacted]o. 11391.16 is hereby changed a[redacted] or extended as follows:

Balance of payment(s) of $35,000.00 due 10-26-78 through .... is (are) extended to 1-24-79.

Amount	$35,000.00
Finance Charge for extended period	$ 776.70
Total of Payments	$35,776.70
Annual Percentage Rate	9.0 %

Maker(s) agree to make payments as scheduled and continue the regular payments until the new maturity date when the balance is due and payable, or ....

The interest rate is hereby changed to ....% effective ....

SECURITY STATE TRUST & SAVINGS BANK

BETTENDORF, IOWA 52722

BY: Exec. V.P.

FORM 404 REV. 7-73

NOTICE TO DEBTOR: DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT. YOU ARE ENTITLED TO A COPY OF THIS AGREEMENT. BY SIGNING BELOW, YOU ALSO ACKNOWLEDGE RECEIPT OF A COPY OF THIS EXTENSION ON THE DATE ABOVE.

Debtor

Co-Debtor

0040102447

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John L. Henss, Treasurer
Friends of Roger Jepsen
P.O. Box 1322
Des Moines, Iowa 50305

Re: MUR 1042

Dear Mr. Henss:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities and information supplied by you, the Federal Election Commission, on June 8, 1979, found reason to believe that your committee may have violated section 441a(f) of the Federal Election Campaign Act of 1971, as amended and instituted an investigation of this matter.

After considering the evidence presented by Senator Roger Jepsen in a letter dated March 13, 1980, the Commission decided, on May , 1980, to take no further action and to close its file in this matter.

If you have any questions, please direct them to Jonathan Levin, the staff member assigned to this matter, at 202/523-4060.

Sincerely,

Charles N. Steele
General Counsel

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. James Schoener
Jenkins, Nystrom and
Sterlacci, P.C.
2033 M Street, N.W., Suite 504
Washington, D.C. 20036

Re: MUR 1042

Dear Mr. Schoener:

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Sincerely,

Charles N. Steele
General Counsel

UNITED STATES SENATE
WASHINGTON, D.C. 20510
202-224-3254

ROGER W. JEPSEN
UNITED STATES SENATOR

RECEIVED
COMMITTEES:
AGRICULTURE
ARMED SERVICES
JOINT ECONOMIC

'80 APR 14 PM 2:26
GCC# 1027

April 11, 1980

C07436

80 APR 14 P4:36

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

RE: MUR 1042 (79)

Dear Chairman Tiernan and Commissioners:

This is to inform you that I am being represented in this matter by Mr. James Schoener, attorney-at-law, 2033 "M" Street, Washington, D. C. 20036, 202/293-2505.

Thank you.

Sincerely,

Roger W. Jepsen

Roger W. Jepsen
United States Senator
I O W A

RWJ/bkh
cc: Mr. James Schoener

309 PERRY STREET UNIT 103
DAVENPORT, IA 52801
319-322-3750

213 EAST 5TH STREET
WATERLOO, IA 50703
319-232-1515

FEDERAL BUILDING, ROOM 234
COUNCIL BLUFFS, IA 51501
712-325-5505

1090 7TH AVENUE
MARION, IA 52302
319-377-7666

731 FEDERAL BUILDING
DES MOINES, IA 50309
515-284-4574

101 BADGEROW BUILDING
4TH AND JACKSON
SIOUX CITY, IA 51101

ROGER W JEPSEN
UNITED STATES SENATOR
U S CAPITOL
WASHINGTON D C 20510

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

STATIONERY NOT PURCHASED OR PRINTED AT TAXPAYERS EXPENSE

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/MARGARET CHANEY

DATE: MARCH 25, 1980

SUBJECT: MUR 1042 - Interim Investigative Report #1, dated 3-20-80; Received in OCS 3-21-80, 2:37

The above-named document was circulated to the Commission on a 24 hour no-objection basis at 11:00, March 24, 1980.

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

30040192452

March 21, 1980

MEMORANDUM TO: Marjorie W. Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 1042

Please have the attached Interim Invest Report distributed to the Commission. Thank you.

Y

BEFORE THE FEDERAL ELECTION COMMISSION
March 20, 1980

MAR 21 P2: 37

In the Matter of Friends of Roger Jepsen, *et al.*	))))	MUR 1042 (79)

INTERIM INVESTIGATIVE REPORT #1

On February 5, 1980, the Commission found reason to believe that Mrs. Dee Jepsen violated 2 U.S.C. §441a(a)(1)(A). This finding was contingent upon revision of the letter and accompanying questions to be sent to the respondent. The Commission approved the subsequent revisions on February 20 and the letters and questions were sent.

On March 20, this office received a letter from Mrs. Jepsen's husband, Senator Roger Jepsen, responding to the questions and enclosing supporting documents. We are reviewing this response and will report to the Commission with appropriate recommendations.

20 March 1980
Date

Charles N. Steele
General Counsel

8 0 0 4 0 1 0 2 4 5 4

ROGER W. JEPSEN
5327 Dirksen Senate Office Building
(202) 224-3254

COMMITTEES:
AGRICULTURE
ARMED SERVICES
JOINT ECONOMIC

United States Senate

WASHINGTON, D.C. 20510

GCC# 754

March 13, 1980

807092

30 MAR P12:35

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

Re: MUR 1042 (79)

Dear Chairman Tiernan and Commissioners:

In response to your letter of February 26, 1980 and the Interrogatories and Request for Documents enclosed, I submit the following information. I am sending this response although I believe that this inquiry is not justified by the terms of the Act, and I consider the fact that a man's wife has signed a note at the request of a lending bank not to be the kind of evil the Congress was addressing when it enacted the Federal Election Campaign Act.

Attached to this letter is a copy of the application for a loan I signed with the Security State Trust and Savings Bank of Bettendorf, Iowa. This application was filed by me indicating my assets and liabilities. The assets listed are all assets acquired by me from my own efforts and earnings except the item of real estate designated "farm trust" (of which my share is $40,000) which represents farm property in trust for my benefit, owned equally by my brother and sister and me.

During our marriage, my wife was not employed outside the home to any significant extent. The only property owned by my wife and me jointly consists of the item of real estate (our home at 2330 Harrison, Davenport, Iowa). Mrs. Jepsen does not have a sole and separate estate or other significant assets. Therefore, those other personal assets, over which I had complete control, give ample coverage to the loan and justified the transaction by the bank in its ordinary course of business. The application further indicates I was making this loan without co-maker since that section of the application is blank and the classification at the top is also not executed.

As the second set of documents attached, you will find the note and the bank's ledger card--indicating the note to be "unsecured", and it indicates there was no co-maker or endorser. In the banking community of our part of Iowa, many short term loans are made on this basis. The procedure followed by the bank was its normal practice for this type of loan.

The signature of Mrs. Jepsen on the note was simply a formality requested by the bank. The bank did not issue a check, but set up a bank account in the sole name of Roger W. Jepsen, and later, at my direction, the bank transferred to my principal campaign committee account the full amount I had borrowed.

A third item from the bank records is the extension agreement; and as you will note, it is signed only by me. F.E.C. filings will show this note has been completely paid as of January 1980 as well as the obligation from my campaign committee to me. The only documents relating to this loan are furnished; there was no loan agreement other than the note, and there was no security agreement since the note was unsecured.

I was surprised when I received your letter, since I thought that this matter had been concluded in June of 1979. It seems to me that a great deal of time and effort are being expended over a simple formality of my wife's signature on the note for a loan obtained on the basis of my assets. I hope this letter will conclude this questioning.

Sincerely,

Roger W. Jepsen

Roger W. Jepsen

RWJ:dw

Confidential Personal Statement To:

SECURITY STATE TRUST AND SAVINGS BANK

1710 Grant Street, Bettendorf, Iowa 52722
Phone (319) 359-7101

☐ Individual Credit ☐ Joint Credit With Spouse ☐ Guarantor ☐ Joint Credit With Other

NAME Roger W. Jepsen PHONE 326-2759
ADDRESS 2330 Harrison CITY Davenport STATE Iowa ZIP 52803

For the purpose of procuring and maintaining credit from time to time in any form whatsoever with the above named Bank, for claims and demands against the undersigned, the undersigned submits the following as being a true and accurate statement of his, her or their financial condition. The Bank is authorized to make all inquiries it may deem necessary to verify the accuracy of the information contained herein. Please do not leave any questions unanswered.

ASSETS		LIABILITIES	
Cash on hand and in Banks	1500.00	Notes payable to Banks	
U.S. Government securities		Secured	19,000.00
		Unsecured	
Cash surrender value of Life insurance—see Schedule IV	8000.00	Notes payable to relatives	
Listed Securities—see Schedule I		Notes payable to others	
Unlisted Securities—see Schedule I	22,000.00	Accounts and bills due	
Accounts and Notes Receivable Due from relatives and friends		Taxes on real estate	—
Accounts and Notes Receivable Due from others—good		Mortgage payable on Real Estate—see Schedule II	30,000.00
Accounts and Notes Receivable Doubtful Farm Trust	40,000.00	Chattel Mortgages and other Liens Payable	
Real Estate owned—see Schedule II	130,000.00	Other debts—itemize	
Automobiles	7000.00		
Personal Property	13,000.00		
[illegible] Personal effects [illegible] furnishings [illegible]	20,000.00	TOTAL LIABILITIES	49,000.00
		NET WORTH	190,500.00
TOTAL ASSETS	241,500.00	TOTAL LIABILITIES AND NET WORTH	241,500.00

SOURCE OF INCOME		CONTINGENT LIABILITIES	
Income from alimony, child support, or maintenance payments need not be revealed, but if it is, the Bank may make relevant inquiries.			
Salary	$ 38,000	As endorser or comaker	$
Bonus and commissions	$	On leases or contracts	$
Dividends	$	Legal claims	$
Real estate income	$	Provisions for Federal Income Taxes	$
Other income—itemize Lectures	$ 2,000	Security the Bonds	$
	$	Alimony	$
	$	Child support	$
	$	Maintenance	$
TOTAL	$ 38,000	TOTAL	$

EMPLOYMENT INFORMATION

[illegible] U.S. Senate [illegible]
[illegible] Years there 3

Social security number

COMPLETE THE FOLLOWING IF APPLYING FOR JOINT CREDIT WITH SPOUSE OR SECURED CREDIT

Spouse's name
Home address
Employer
Address
Position Years there
Social security number Salary

GENERAL INFORMATION

Date of birth 12-23-28 Number of Dependents 6
[illegible] Assets [illegible] at [illegible]
[illegible]
[illegible]
[illegible] explain

Income from alimony, child support, or maintenance payments need not be revealed, but if it is, the Bank may make relevant inquiries

Source and amount of other income

Spouse's title or rights as to any of the above mentioned assets

SCHEDULES ON REVERSE SIDE

00040193453

I—SCHEDULE OF STOCKS AND BONDS OWNED

Description	In name of	Market value
[illegible] Shares Stk — [illegible] Corp	Rogers Jepsen	$22,000

II—SCHEDULE OF REAL ESTATE OWNED

Description of property and improvements	Date of acquisition	Title in name of	Cost	Market value	Mortgagee	Mortgage Amount	Mortgage Maturity
[illegible]		[illegible]		40,000	—		
[illegible]		[illegible]		15,000	—		

III—SCHEDULE OF MORTGAGES OWNED OR REAL ESTATE SOLD ON CONTRACT

Description of property covered	Date of acquisition	In name of	Maturity	Amount
[illegible]	1962	Rogers Jepsen & [illegible] Jepsen	—	—

IV—SCHEDULE OF LIFE INSURANCE CARRIED

Amount	Name of Company	Beneficiary	Cash surrender value	Loans
[illegible]	[illegible]	Family	$8000	

GIVE NAMES OF BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED

Name	High credit	Basis	Year
First Trust & Savings Bank	—		

Do you have a will? Yes If yes, who is the executor? [illegible] & wife

The undersigned agrees that if any changes occur that materially reduce the means or ability of the undersigned to pay all claims or demands against him, her or them, the undersigned will immediately and without delay notify said Bank, and unless the Bank is so notified it may continue to rely upon the statement herein given as a true and accurate statement of the financial condition of the undersigned as of the close of business. The undersigned also acknowledges receipt of a written Equal Credit Opportunity Act notice on the date hereof.

[illegible] 25 19 78
Date signed

Rogers Jepsen
Signature

19
Date signed

Signature

Rev. 7/76 88-92

[illegible]OTE AND DISCLOSURE STATEMENT [illegible]is is a Consumer Credit Transaction)

(For use on loans without collateral or on prior committed advances of an secured loan)

Debtor represents and warrants that the proceeds of this loan will be used primarily for a personal, family, household or agricultural purpose and that the loan is not for the purpose of enabling Debtor to buy or lease from a particular seller or lessor. (Strike if not applicable)

1. Proceeds $35,000.00 (1)

OTHER CHARGES (not part of "Finance Charge")

★2a. Credit Life insurance for term of loan
Debtor only ☐, Debtor & Spouse ☐ } check one only
Debtor & Insurable Interest ☐ } $________ (2a)

★2b. Credit Accident & Health Ins.
(Debtor only) for term of loan $________ (2b)

2. TOTAL OTHER CHARGES (2a+2b) .... $ -0- (2)

3. Amount financed (1+2) $35,000.00 (3)

4. FINANCE CHARGE (Interest) semi-annual [illegible] $1,579.25 (4)

5. ANNUAL PERCENTAGE RATE 9.0 %

6. TOTAL OF PAYMENTS (sum of payments scheduled to repay indebtedness 3+4) $36,579.25 (6)

which total of payments Debtor (herein collectively with Co-Debtor, if any, called Debtor) jointly and severally promises to pay to [illegible]

[illegible]

In ______ equal installments of $______ each and one final installment of $______ all payable on the same day of each successive month beginning on the ______ day of ______, 19____ or as follows: (date and amount of each payment) Principal due on demand; Interest payable semi-annually.

Any installment which is more than twice the amount of an otherwise regularly scheduled equal installment is a BALLOON PAYMENT and may be refinanced at the time it is due without penalty under terms no less favorable to Debtor than the terms of the original transaction unless the transaction is primarily for an agricultural purpose or the payment schedule is adjusted to the seasonal or irregular income of the Debtor in which case the balloon payment may be refinanced only as the then parties may agree as of its due date. The insurance charges, if any, and the FINANCE CHARGE set forth [illegible] payments will be paid on the dates due. If FINANCE CHARGE is not precomputed (Simple Interest), rate of FINANCE CHARGE is the Annual Percentage Rate applied on a [illegible] to the Amount Financed [illegible] time to time unpaid; all payments shall be applied first to any accrued insurance charges, then to the accumulated FINANCE CHARGE and [illegible] of the Amount Financed; after maturity the rate of FINANCE CHARGE on the unpaid Amount Financed shall be at the same rate as before maturity which Debtor promises to pay.

★CREDIT LIFE AND ACCIDENT AND HEALTH. Any Credit Life or Accident & Health Insurance for which a charge or premium is included as part of Debtor's obligation, IS NOT REQUIRED BY LENDER. Debtor, however, first having seen and examined the cost of such insurance, for the term of the loan, voluntarily desires it. Said costs are $__________ (2a+2b opposite ★). Co-Debtor NOT insured unless also spouse of Debtor and election made in 2a opposite ★.

______________________ Date ______
(Debtor's Signature to Elect Insurance)

______________________ Date ______
(Co-Debtor's Signature to Elect Insurance)

Failure to make a payment within 10 days of the time required shall be a default. Upon the expiration of the applicable legal period to cure default, holder may at its option accelerate the maturity of the unpaid balance. If any precomputed installment is not paid in full within 10 days after its due date, as originally scheduled or as deferred, Debtor shall pay a delinquency charge in an amount not exceeding the greater of the following: (a) a single charge of 1½% of the unpaid amount of the installment but not in excess of $5.00, or (b) 1½%, but not in excess of 1/12 of the Annual Percentage Rate, per month applied to the unpaid amount of the installment for the period that is delinquent.

On prepayment in full, if the earned FINANCE CHARGE is less, a minimum charge of $5.00 shall be due if the amount financed is $75.00 or less, or $7.50 if the amount financed is more. [illegible] ($1.00).

Debtor hereby authorizes holder and its agents to communicate with Debtor's spouse in connection with this transaction and the collection of the debt evidenced hereby and Debtor does hereby consent to such communication.

[illegible] ($7.50)

Address: 2333 [illegible]
(Number and Street)

[illegible] , Ia [illegible]
(Town) (State) (Zip)

[illegible] (Signature) (Soc. Sec. #)

Home [illegible]

☐ Customer ☐ Finance ☐ CAD ☐ Precomputed ☐ Simple Interest

[illegible] Rev. Oct., 1973 — [illegible] Printing, [illegible], Iowa

[illegible] for [illegible] of Contract

PSEN, ROGER

5913 Wiltshire Drive
[illegible], Maryland 20816

621920

PSEN, ROGER 2333 Harrison St., Dav., Ia 52803 4-24-79 11399.16

Name Address Loan No

35,000.00 9. % April 26, 1978 demand ~~demand~~ NJC

Amount Rate Date Term Maturity Loan Officer

mand

No. of Payments 1st Payment Due Subsequent Payments Due Current Through or Paid in Full

secured

Co-Maker, Endorser, Description of Collateral or Security Pledged

terest payable semi-annually P II

Special Remarks Loan Charge Classification

51-3

M.T. 10/26/78
4/26/79

PAID BY RENEWAL

PAID

Date 11-10-?

By mutual agreement, the attached note No. 11391.16 is hereby changed and/or extended as follows:

Balance of payment(s) of $35,000.00 due 10-26-78 through .... is (are) extended to 1-24-79.

Amount $35,000.00

Finance Charge for extended period $ 776.70

Total of Payments $35,776.70

Annual Percentage Rate 9.0 %

Maker(s) agree to make payments as scheduled and continue the regular payments until the new maturity date when the balance is due and payable, or ——

The interest rate is hereby changed to ——% effective ——

SECURITY STATE TRUST & SAVINGS BANK

BETTENDORF, IOWA 52722

BY: [signature] Exe. V.P.

FORM 601 REV. 7-78

NOTICE TO DEBTOR: DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT. YOU ARE ENTITLED TO A COPY OF THIS AGREEMENT. BY SIGNING BELOW, YOU ALSO ACKNOWLEDGE RECEIPT OF A COPY OF THIS EXTENSION ON THE DATE HEREOF.

[signature] Jepsen

Debtor

Co-Debtor

0040192461

153

United States Senate

WASHINGTON, D.C. 20510

OFFICIAL BUSINESS

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

CERTIFIED
P05
MAIL

GCC# 608

RECEIVED
FEDERAL ELECTION
COMMISSION

Before the

'80 MAR 5 PM 2 : 24

Federal Election Commission

In the Matter of

Mrs. Roger Jepson
(Dee Jepson)

MUR 1042(79)

006738

Appearance of Counsel

Take notice that the undersigned does hereby enter his appearance as counsel for Senator and Mrs. Roger Jepson in the above entitled matter.

James F. Schoener

James F. Schoener
Jenkins, Nystrom & Sterlacci, P.C.
2033 M Street, N.W., Suite 504
Washington, D.C. 20036
Tel. (202) 293-2505

8 0 0 4 0 1 9 2 4 6 3

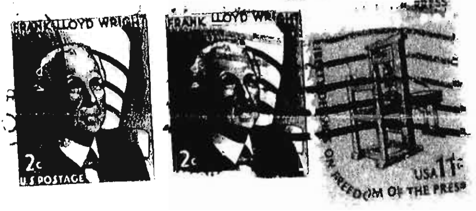
Dated: March 4, 1980

LAW OFFICES

JENKINS, NYSTROM & STERLACCI, P.C.

2033 M STREET, N.W.

WASHINGTON, D. C. 20036



Federal Election Commission
Attention: Jonathan Levin
1325 K Street, N.W.
Washington, DC 20463

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 28, 1980

The Honorable and Mrs. Roger Jepsen
United States Senate
5327 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator and Mrs. Jepsen:

Enclosed please find a duplicate original letter, the first of which was inadvertantly mailed on February 26, 1980, without being signed.

Sincerely,

Charles N. Steele
General Counsel

Enclosure

30040192465

MUR-1042 Levin

PS Form 3811, Aug. 1978 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:
Hon. + Mrs. Roger Jepsen
U.S. Senate
5327 Dirksen Senate Office Bldg.
Wash. D.C. 20510

3. ARTICLE DESCRIPTION:
REGISTERED NO. | CERTIFIED NO. 944057 | INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO: 1978-272-382

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 28, 1980

CERTIFIED MAIL
RETURN RECEIPT RUQUESTED

The Honorable and Mrs. Roger Jepsen
United States Senate
5327 Dirksen Senate Office Building
Washington, D.C. 20510

Re: MUR 1042 (79)

Dear Senator and Mrs. Jepsen:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that Mrs. Jepsen may have violated section 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended ("the Act"). This section of the Act makes it unlawful for a person to contribute in excess of $1,000 to a Federal candidate or committee. Specifically, it appears that, on or about April 26, 1978, Mrs. Jepsen signed a bank note with Senator Jepsen for a loan of $35,000, which funds were then transferred by the Senator to his campaign committee.

While section 110.10 of the Commission's regulations, 11 C.F.R. § 110.10, permits a candidate to make unlimited expenditures from assets to which, at the time he became a candidate, he had legal title or the right of beneficial enjoyment, it must still be ascertained whether the security for the loan constituted such an asset.

We have numbered this matter MUR 1042. Please refer to this number in all future correspondence.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Additionally, please submit answers to the enclosed questions. Where appropriate, statements should be submitted under oath. In this connection, we have already considered Mr. John Henss' letters of April 20 and June 14 and 25, 1979, to the Commission. While we are aware that Mr. Henss has stated that the bank loan was obtained on the basis of assets under the joint dominion and control of both of you, the Commission believes that more specific information is required.

The Commission is under a duty to investigate and requests your response to be submitted within fifteen days after your receipt of this notification.

In the absence of any additional information which demonstrates that no further action should be taken against Mrs. Jepsen, the Commission may find probable cause to believe that a violation has occurred, and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

If you have any questions, please contact Jonathan Levin, the staff member assigned to this matter, at 202-523-4060.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), formerly § 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,

Robert O. Tiernan

ROBERT O. TIERNAN
Chairman

Enclosure

Interrogatories/ Request for Documents
Notification of Reason to Believe
Procedures

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 26, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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United States Senate
5327 Dirksen Senate Office Building
Washington, D.C. 20510

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80040192468

Page Two
Hon. & Mrs. Roger Jepsen

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Sincerely,

Enclosure

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: The Hon. & Mrs. Roger Jepsen

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

4. DATE OF DELIVERY — POSTMARK

5. ADDRESS (Complete only if requested)

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

GPO 1977-0-234-337

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

FEDERAL ELECTION COMMISSION

TO: Senator and Mrs. Roger Jepsen
MUR 1042

QUESTIONS

1. Provide copies of all documents relating to the loan of $35,000 from the Security State Trust and Savings Bank on or about April 26, 1978. Such documents should include, but not be limited to, the loan agreement, the note, and the security agreement.

2. What procedures does the bank normally follow in granting loans to individuals or couples?

   a. Did the bank follow such procedures?

3. a. What assets or property secured the bank loan (e.g. bank account, house, shares of stock)?

   b. What persons held a legal or equitable interest in the property? What were the nature and extent of such interests (e.g. joint tenancy with right of survivorship, tenancy in common)?

   c. How were these interests designated on the bank loan instruments?

   d. Who contributed toward the purchase of the property securing the loan? In what quantities and proportions were such contributions made?

e. If the property was a bank account, in whose name was it held and in what quantities and proportions have contributions been made to it by each spouse?

4. In what capacity did Mrs. Jepsen sign the loan agreement, the note, and/or the security agreement? Was the bank's requirement of Mrs. Jepsen's co-signature a formality or was it based on legal requirements?

5. If available, provide copies of both sides of the check by which the bank transferred the $35,000 to you.

6. Provide copies of both sides of the check(s) by which Senator Jepsen transferred $35,000 to his committee on or about April 27, 1978.

7. a. State whether any or all of this bank loan is outstanding.

b. Provide the dates and amounts of any repayments.

c. Provide copies of both sides of any checks by which any repayments were made to the bank.

FEDERAL ELECTION COMMISSION

NOTIFICATION OF REASON TO BELIEVE FINDING

DATE ______________________

MUR NO. 1042
STAFF MEMBER(S) & TEL. NO.
Jonathan /
Levin /
(202) 523-4060

RESPONDENT: Dee Jepsen

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

BACKGROUND

The Friends of Roger Jepsen (the Committee) was referred to the Office of General Counsel by the Reports Analysis Division (RAD) of the Commission for receipt of an excessive contribution in violation of 2 U.S.C. §441a.

FACTUAL BASIS

On its ten day pre-primary report for 1978, the Committee reported the receipt of a loan of $35,000 from Roger Jepsen on April 27, 1978. As a result of subsequent communications with the Committee Treasurer, it was established that the origin of this loan to the Committee was a $35,000 loan from the Security State Trust and Savings Bank to Roger and Dee Jepsen on April 27, 1978. The principal was due on demand with interest at 9% payable semi-annually.

In response to a surface violation letter sent by the Commission, the Committee Treasurer stated, on April 20, 1979, that "since the obligation in question was signed by Roger W. and Dee A. Jepsen, his wife, and was handled in accordance with banking regulations, ... it constitutes a debt of the campaign committee and should in no way be construed as a contribution." The response was considered inadequate and, on June 8, 1979, reason to believe was found that the Committee was in violation of §441a. On June 14, 1979, the Committee responded in writing stating that "it is normal procedure for a bank in making a loan to any individual to require the individual's spouse to sign the loan along with the borrower. The funds loaned by Roger Jepsen to Friends of Roger Jepsen were assets under the joint dominion and common control of Roger and Dee Jepsen." The Committee included a copy of its note to Roger Jepsen. While it did not include a copy of Mr. and Mrs. Jepsen's note to the bank, the Committee Treasurer, on June 25, 1979, submitted a letter stating that "... the loan was obtained on the basis of known assets, familiar to the bank, under the joint dominion and control of Mr. and Mrs. Jepsen."

LEGAL ANALYSIS

Section 441a(a)(1)(A) of the Act prohibits the making of contributions in excess of $1,000 to an authorized candidate committee and §441a(f) prohibits the acceptance of such contributions. While there is no limit on the amount of personal funds a candidate may contribute to his own campaign, the term "personal funds," consistent with the Supreme Court's decision in Buckley v. Valeo, 424 U.S. 1, 52-54 (1976), is defined by the regulations. In this connection, assets of an immediate family member of a candidate are considered "personal funds" of the candidate only if they were "... assets to which at the time he ... became a candidate the candidate had legal and rightful title, or ... the right of beneficial enjoyment, under applicable State law, and which the candidate had legal right of access to or control over ..." Regulations §110.10(b), Advisory Opinions 76-26, 76-74.

Here, the $35,000 which was transferred by the candidate to his committee originated as a bank loan to the candidate. The candidate's wife signed the bank loan in some capacity and, in so doing, might be in violation of §441a(a)(1)(A). See also §431(8)(B)(vii)(I).* While the Committee Treasurer stated that "... the loan was obtained on the basis of known assets ... under the joint dominion and control of Mr. and Mrs. Jepsen," this statement by itself should not serve to place the entire bank loan within the category of "personal funds" of the candidate. There must be facts to establish that all of the security was, according to Iowa law, under Senator Jepsen's control or within his right of beneficial enjoyment. Under Iowa law

> there is no presumption conveyances of real estate or transfers of personalty to two or more persons create a joint tenancy with right of survivorship. Rather the presumption is they create a tenancy in common unless a contrary intent is expressed. 1/

Furthermore, there is no presumption, as there is in community property states, that all of the property of one spouse obtained during marriage would be considered to be the property of the other spouse. 2/

The Office of General Counsel, therefore, recommends that the Commission find reason to believe that Mrs. Dee Jepsen may have violated §441a(a)(1)(A) in connection with the loan and authorize an investigation of this matter. As part of this investigation, the Office of General Counsel recommends that the Commission direct specific inquiries to the Jepsens concerning the loan in question and the nature of the ownership of the property which secured the principal.

1/ In Re Estate of Stamets, 260 Iowa 93, 148 N.W. 2d 468 (1967).

2/ See Iowa Code §§597.1 et seq. and 633.211 et seq.

* This was formerly §431(e)(5)(G)(ii).

COMMISSION'S DETERMINATION

Based on the foregoing analysis, the Federal Election Commission:

1. Has found reason to believe that Mrs. Dee Jepsen may have violated 2 U.S.C. §441(a)(1)(A) by making an excessive individual contribution to an authorized candidate committee.

2. Has approved the attached letter and interrogatories and request for documents.

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Honorable and Mrs. Roger Jepsen
United States Senate
5327 Dirksen Senate Office Building
Washington, D.C. 20510

Re: MUR 1042 (79)

Dear Senator and Mrs. Jepsen:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that Mrs. Jepsen may have violated section 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended ("the Act"). This section of the Act makes it unlawful for a person to contribute in excess of $1,000 to a Federal candidate or committee. Specifically, it appears that, on or about April 26, 1978, Mrs. Jepsen signed a bank note with Senator Jepsen for a loan of $35,000, which funds were then transferred by the Senator to his campaign committee.

While section 110.10 of the Commission's regulations, 11 CFR §110.10, permits a candidate to make unlimited expenditures from assets to which, at the time he became a candidate, he had legal title or the right of beneficial enjoyment, it must still be ascertained whether the security for the loan constituted such an asset.

We have numbered this matter MUR 1042. Please refer to this number in all future correspondence.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Additionally, please submit answers to the enclosed questions. Where appropriate, statements should be submitted under oath. In this connection, we have already considered Mr. John Henss' letters of April 20 and June 14 and 25, 1979, to the Commission. While we are aware that Mr. Henss has stated that the bank loan was obtained on the basis of assets under the joint dominion and control of both of you, the Commission believes that more specific information is required.

Page Two
Hon. & Mrs. Roger Jepsen

The Commission is under a duty to investigate and requests your response to be submitted within fifteen days after your receipt of this notification.

In the absence of any additional information which demonstrates that no further action should be taken against Mrs. Jepsen, the Commission may find probable cause to believe that a violation has occurred, and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

If you have any questions, please contact Jonathan Levin, the staff member assigned to this matter, at 202-523-4060.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and §437g(a)(12)(A), formerly §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,

Enclosure

cc 2/25/80

Interrogatories/ Request for Documents
Notification of Reason to Believe
Procedures

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1042
Dee Jepsen and	)	
Friends of Roger Jepsen	)	

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission's Executive Session on February 20, 1980, do hereby certify that the Commission decided by a vote of 4-2 to send to Senator and Mrs. Jepsen the Letter and Questions attached to the General Counsel's February 13, 1980 memorandum report on MUR 1042.

Commissioners Harris, McGarry, Reiche, and Tiernan voted affirmatively for this action; Commissioners Aikens and Friedersdorf dissented.

Attest:

2/21/80
Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/MARGARET CHANEY mc

DATE: FEBRUARY 14, 1980

SUBJECT: MUR 1042 - Memorandum to the Commission with Revised Letter; Received in OCS 2-13-80, 5:32

The above-named document was circulated on a 24 hour no-objection basis at 11:00, February 14, 1980.

Commissioner Friedersdorf submitted an objection at 3:58, February 14, 1980, thereby placing MUR 1042 on the Executive Session Agenda for February 20, 1980.

Attached is a copy of Commissioner Friedersdorf's vote sheets with his comments.

ATTACHMENT;
Copy of Vote Sheet

8 0 0 4 0 1 0 2 4 1 7 9

FEDERAL ELECTION COMMISSION

80FEB14 P3: 50

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

DATE AND TIME OF TRANSMITTAL THURSDAY, 2-14-80
11:00

Commissioner FRIEDERSDORF, AIKENS, TIERNAN, McGARRY, REICHE, HARRIS

RETURN TO THE OFFICE OF COMMISSION SECRETARY BY: FRIDAY, FEBRUARY 15, 1980
11:00

MUR No. 1042 - Memorandum to the Commission with Revised Letter

(✓) I object to the recommendation in the attached report.

COMMENTS: [illegible] information

Date [illegible] Signature [illegible]

OBJECTIONS, SIGNED AND DATED, MUST BE RECEIVED IN THE COMMISSION SECRETARY'S OFFICE NO LATER THAN THE DATE AND TIME SHOWN ABOVE OR THE MATTER WILL BE DEEMED APPROVED. PLEASE RETURN ALL PAPERS TO THE OFFICE OF THE SECRETARY TO THE COMMISSION.

[illegible]

February 13, 1980

MEMORANDUM TO: Marjorie W. Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 1042

Pleasehaveehhe attached Memo distribuaed to the Commission on a 24 hour no-objection basis. Thankyou.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

80 FEB 13 P5: 32

February 13, 1980

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

SUBJECT: Letter and Questions to be sent to Senator and Mrs. Jepsen

On February 5, 1980, the Commission found reason to believe that Mrs. Dee Jepsen may have violated 2 U.S.C. §441a(a)(1)(A). The Office of General Counsel was requested to amend the written questions presented in order to achieve greater specificity as to the nature of assets involved. Concern was also expressed as to the tone of the letter during the meeting. Accordingly, langauge has been added to the letter to make it more responsive to the claims of the Treasurer of Friends of Roger Jepsen.

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Honorable and Mrs. Roger Jepsen
United States Senate
5327 Dirksen Senate Office Building
Washington, D.C. 20510

Re: MUR 1042 (79)

Dear Senator and Mrs. Jepsen:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that Mrs. Jepsen may have violated section 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended ("the Act"). This section of the Act makes it unlawful for a person to contribute in excess of $1,000 to a Federal candidate or committee. Specifically, it appears that, on or about April 26, 1978, Mrs. Jepsen signed a bank note with Senator Jepsen for a loan of $35,000, which funds were then transferred by the Senator to his campaign committee.

While section 110.10 of the Commission's regulations, 11 CFR §110.10, permits a candidate to make unlimited expenditures from assets to which, at the time he became a candidate, he had legal title or the right of beneficial enjoyment, it must still be ascertained whether the security for the loan constituted such an asset.

We have numbered this matter MUR 1042. Please refer to this number in all future correspondence.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Additionally, please submit answers to the enclosed questions. Where appropriate, statements should be submitted under oath. In this connection, we have already considered Mr. John Henss' letters of April 20 and June 14 and 25, 1979, to the Commission. While we are aware that Mr. Henss has stated that the bank loan was obtained on the basis of assets under the joint dominion and control of both of you, the Commission believes that more specific information is required.

The Commission is under a duty to investigate and requests your response to be submitted within fifteen days after your receipt of this notification.

In the absence of any additional information which demonstrates that no further action should be taken against Mrs. Jepsen, the Commission may find probable cause to believe that a violation has occurred, and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

If you have any questions, please contact Jonathan Levin, the staff member assigned to this matter, at 202-523-4060.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and §437g(a)(12)(A), formerly §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,

Charles N. Steele
General Counsel

Enclosure

Interrogatories/Request for Documents

FEDERAL ELECTION COMMISSION

TO: Senator and Mrs. Roger Jepsen
MUR 1042

QUESTIONS

1. Provide copies of all documents relating to the loan of $35,000 from the Security State Trust and Savings Bank on or about April 26, 1978. Such documents should include, but not be limited to, the loan agreement, the note, and the security agreement.

2. What procedures does the bank normally follow in granting loans to individuals or couples?

   a. Did the bank follow such procedures?

3. a. What assets or property secured the bank loan (e.g. bank account, house, shares of stock)?

   b. What persons held a legal or equitable interest in the property? What were the nature and extent of such interests (e.g. joint tenancy with right of survivorship, tenancy in common)?

   c. How were these interests designated on the bank loan instruments?

   d. Who contributed toward the purchase of the property securing the loan? In what quantities and proportions were such contributions made?

e. If the property was a bank account, in whose name was it held and in what quantities and proportions have contributions been made to it by each spouse?

4. In what capacity did Mrs. Jepsen sign the loan agreement, the note, and/or the security agreement? Was the bank's requirement of Mrs. Jepsen's co-signature a formality or was it based on legal requirements?

5. If available, provide copies of both sides of the check by which the bank transferred the $35,000 to you.

6. Provide copies of both sides of the check(s) by which Senator Jepson transferred $35,000 to his committee on or about April 27, 1978.

7. a. State whether any or all of this bank loan is outstanding.

b. Provide the dates and amounts of any repayments.

c. Provide copies of both sides of any checks by which any repayments were made to the bank.

2-8-80
awaiting
revised
letter
questions

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Dee Jepsen and)
Friends of Roger Jepsen)

MUR 1042

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission's Executive Session of February 5, 1980, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions in MUR 1042:

1. Find reason to believe that Mrs. Dee Jepsen may have violated 2 U.S.C. §441a(a)(1)(A).

2. Authorize the sending of the letter attached to the General Counsel's first report in this matter.

Commissioners Harris, McGarry, Reiche, and Tiernan voted affirmatively for the above actions; Commissioners Aikens and Friedersdorf dissented.

Attest:

2-7-80
Date

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

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FEDERAL ELECTION COMMISSION

NOTIFICATION OF REASON TO BELIEVE FINDING

DATE ______________________________

MUR NO. 1042
STAFF MEMBER(S) & TEL. NO.
Jonathan /
Levin /
(202) 523-4060

RESPONDENT: Dee Jepsen

SOURCE OF MUR: I N T E R N A L L Y   G E N E R A T E D

BACKGROUND

The Friends of Roger Jepsen (the Committee) was referred to the Office of General Counsel by the Reports Analysis Division (RAD) of the Commission for receipt of an excessive contribution in violation of 2 U.S.C. §441a.

FACTUAL BASIS

On its ten day pre-primary report for 1978, the Committee reported the receipt of a loan of $35,000 from Roger Jepsen on April 27, 1978. As a result of subsequent communications with the Committee Treasurer, it was established that the origin of this loan to the Committee was a $35,000 loan from the Security State Trust and Savings Bank to Roger and Dee Jepsen on April 27, 1978. The principal was due on demand with interest at 9% payable semi-annually.

In response to a surface violation letter sent by the Commission, the Committee Treasurer stated, on April 20, 1979, that "since the obligation in question was signed by Roger W. and Dee A. Jepsen, his wife, and was handled in accordance with banking regulations, ... it constitutes a debt of the campaign committee and should in no way be construed as a contribution." The response was considered inadequate and, on June 8, 1979, reason to believe was found that the Committee was in violation of §441a. On June 14, 1979, the Committee responded in writing stating that "it is normal procedure for a bank in making a loan to any individual to require the individual's spouse to sign the loan along with the borrower. The funds loaned by Roger Jepsen to Friends of Roger Jepsen were assets under the joint dominion and common control of Roger and Dee Jepsen." The Committee included a copy of its note to Roger Jepsen. While it did not include a copy of Mr. and Mrs. Jepsen's note to the bank, the Committee Treasurer, on June 25, 1979, submitted a letter stating that "... the loan was obtained on the basis of known assets, familiar to the bank, under the joint dominion and control of Mr. and Mrs. Jepsen."

LEGAL ANALYSIS

Section 441a(a)(1)(A) of the Act prohibits the making of contributions in excess of $1,000 to an authorized candidate committee and §441a(f) prohibits the acceptance of such contributions. While there is no limit on the amount of personal funds a candidate may contribute to his own campaign, the term "personal funds," consistent with the Supreme Court's decision in Buckley v. Valeo, 424 U.S. 1, 52-54 (1976), is defined by the regulations. In this connection, assets of an immediate family member of a candidate are considered "personal funds" of the candidate only if they were "... assets to which at the time he ... became a candidate the candidate had legal and rightful title, or ... the right of beneficial enjoyment, under applicable State law, and which the candidate had legal right of access to or control over ..." Regulations §110.10(b), Advisory Opinions 76-26, 76-74.

Here, the $35,000 which was transferred by the candidate to his committee originated as a bank loan to the candidate. The candidate's wife signed the bank loan in some capacity and, in so doing, might be in violation of §441a(a)(1)(A). See also §431(8)(B)(vii)(I).* While the Committee Treasurer stated that "... the loan was obtained on the basis of known assets ... under the joint dominion and control of Mr. and Mrs. Jepsen," this statement by itself should not serve to place the entire bank loan within the category of "personal funds" of the candidate. There must be facts to establish that all of the security was, according to Iowa law, under Senator Jepsen's control or within his right of beneficial enjoyment. Under Iowa law

> there is no presumption conveyances of real estate or transfers of personalty to two or more persons create a joint tenancy with right of survivorship. Rather the presumption is they create a tenancy in common unless a contrary intent is expressed. 1/

Furthermore, there is no presumption, as there is in community property states, that all of the property of one spouse obtained during marriage would be considered to be the property of the other spouse. 2/

The Office of General Counsel, therefore, recommends that the Commission find reason to believe that Mrs. Dee Jepsen may have violated §441a(a)(1)(A) in connection with the loan and authorize an investigation of this matter. As part of this investigation, the Office of General Counsel recommends that the Commission direct specific inquiries to the Jepsens concerning the loan in question and the nature of the ownership of the property which secured the principal.

1/ In Re Estate of Stamets, 260 Iowa 93, 148 N.W. 2d 468 (1967).

2/ See Iowa Code §§597.1 et seq. and 633.211 et seq.

* This was formerly §431(e)(5)(G)(ii).

COMMISSION'S DETERMINATION

Based on the foregoing analysis, the Federal Election Commission:

1. Has found reason to believe that Mrs. Dee Jepsen may have violated 2 U.S.C. §441(a)(1)(A) by making an excessive individual contribution to an authorized candidate committee.

2. Has approved the attached letter and interrogatories and request for documents.

FEDERAL ELECTION COMMISSION

TO: Senator and Mrs. Roger Jepsen
MUR 1042

QUESTIONS

1. Provide copies of all documents relating to the loan of $35,000 from the Security State Trust and Savings Bank on or about April 26, 1978. Such documents should include, but not be limited to, the loan agreement, the note, and the security agreement.

2. State what property secured this loan, how such property was owned, and when such ownership originated. In describing how the property was owned, include descriptive terms that may be applicable such as tenancy in common or joint tenancy. Please also include front and back copies of any instruments containing a description of the type of ownership.

3. In what capacity did Mrs. Jepsen sign the loan agreement, the note, and/or the security agreement?

4. If available, provide copies of both sides of the check by which the bank transferred the $35,000 to you.

5. Provide copies of both sides of the check(s) by which Senator Jepsen transferred $35,000 to his committee on or about April 27, 1978.

6. (a) State whether any or all of this bank loan is outstanding.

(b) Provide the dates and amounts of any repayments.

(c) Provide copies of both sides of any checks by which any repayments were made to the bank.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Dee Jepsen and)
Friends of Roger Jepsen)

MUR 1042

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission's Executive Session of February 5, 1980, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions in MUR 1042:

1. Find reason to believe that Mrs. Dee Jepsen may have violated 2 U.S.C. §441a(a)(1)(A).

2. Authorize the sending of the letter attached to the General Counsel's first report in this matter.

Commissioners Harris, McGarry, Reiche, and Tiernan voted affirmatively for the above actions; Commissioners Aikens and Friedersdorf dissented.

Attest:

2-7-80
Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

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FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/MARGARET CHANEY

DATE: JANUARY 30, 1980

SUBJECT: ADDITIONAL OBJECTIONS- MUR 1042 - First General Counsel's Report dated 1-25-80

You were notified on January 29, 1980 of an objection by Commissioner Aikens to the above-named document.

Commissioner Reiche submitted an objection at 10:08, this date. A copy of his vote sheet is attached.

Commissioner Friedersdorf submitted an objection at 11:01, this date. A copy of his vote sheet is attached.

ATTACHMENTS:
Copy of Vote Sheets- Reiche's & Friedersdorf's

48 HOUR TALLY SHEET

FEDERAL ELECTION COMMISSION

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

80 JAN 30 A11: 01

Date and Time Transmitted: 1-28-80

11:00

Commissioner FRIEDERSDORF, AIKENS, TIERNAN, McGARRY, REICHE, HARRIS

RETURN TO OFFICE OF COMMISSION SECRETARY BY: 1-30-80

11:00

MUR No. 1042 First General Counsel's Report dated 1-25-80

( ) I approve the recommendation

(✓) I object to the recommendation

COMMENTS: The [illegible] [illegible] [illegible] [illegible] on the respondents [illegible] [illegible] [illegible] [illegible] point [illegible] further [illegible] [illegible] [illegible] is warranted. [illegible] object!

Date: 1-29-80 Signature: [illegible] Friedersdorf

THE OFFICE OF GENERAL COUNSEL WILL TAKE NO ACTION IN THIS MATTER UNTIL THE APPROVAL OF FOUR COMMISSIONERS IS RECEIVED. PLEASE RETURN ALL PAPERS NO LATER THAN THE DATE AND TIME SHOWN ABOVE TO THE OFFICE OF COMMISSION SECRETARY. ONE OBJECTION PLACES THE ITEM ON THE EXECUTIVE SESSION AGENDA.

9 4 2 0 C

48 HOUR TALLY SHEET

BF KF

[illegible] RY

FEDERAL ELECTION COMMISSION 80 JAN 30 A10: 08

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

Date and Time Transmitted: 1-28-80

11:00

Commissioner FRIEDERSDORF, AIKENS, TIERNAN, McGARRY, REICHE, HARRIS

RETURN TO OFFICE OF COMMISSION SECRETARY BY: 1-30-80

11:00

MUR No. 1042 First General Counsel's Report dated 1-25-80

( ) I approve the recommendation

(✓) I object to the recommendation

COMMENTS: I would like further data on the loan transaction and on the source of funds used to acquire the [illegible] as collateral. Also I question [illegible] of the sentences in the proposed letter to the [illegible].

Date: 1/29/80 Signature: Frank P. Reiche

THE OFFICE OF GENERAL COUNSEL WILL TAKE NO ACTION IN THIS MATTER UNTIL THE APPROVAL OF FOUR COMMISSIONERS IS RECEIVED. PLEASE RETURN ALL PAPERS NO LATER THAN THE DATE AND TIME SHOWN ABOVE TO THE OFFICE OF COMMISSION SECRETARY. ONE OBJECTION PLACES THE ITEM ON THE EXECUTIVE SESSION AGENDA.

0 0 4 0 1 0 2 1 9

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/MARGARET CHANEY mwe mc

DATE: JANUARY 29, 1980

SUBJECT: OBJECTION - MUR 1042 - First General Counsel's Report dated 1-25-80; Received in OCS 1-28-80, 12:18

The above-named report was circulated on a 48 hour vote basis at 11:00, January 28, 1980.

Commissioner Aikens submitted an objection at 5:24, January 28, 1980. MUR 1042 will be placed on the agenda for the next Executive Session, the date to be set at the Open Session on January 31, 1980.

January 25, 1980

MEMORANDUM TO: Marjorie W. Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 1042

Please have the attached First GC Report on MUR 1042 distributed to the Commission on a 48 hour tally basis.

Thank you.

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FEDERAL ELECTION COMMISSION

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO COMMISSION 1-25-80

MUR NO. 1042
STAFF MEMBER(S)

J. Levin/Scall

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

RESPONDENT'S NAME: Dee Jepsen and Friends of Roger Jepsen

RELEVANT STATUTE: 2 U.S.C. §441a, §431(8)(B)(vii)(I)
11 C.F.R. §110.10(b)

INTERNAL REPORTS CHECKED: Public Records

FEDERAL AGENCIES CHECKED: None

GENERATION OF MATTER

On October 4, 1979, the Friends of Roger Jepsen (the Committee) was referred to the Office of General Counsel by the Reports Analysis Division (RAD) for receipt of an excessive contribution in violation of 2 U.S.C. §441a.

EVIDENCE

On its ten day pre-primary report for 1978, the Committee reported the receipt of a loan of $35,000 from Roger Jepsen on April 27, 1978. On June 27, 1978, a request for additional information was sent to the Committee requesting it to disclose the full nature of its debts and obligations on its reports. During subsequent phone conversations between the Committee Treasurer and RAD staff, the Treasurer stated that the $35,000 loan had originated with a bank. On October 18, 1978, the Committee submitted an amended pre-primary report which stated that the loan originated as a loan of $35,000 from the Security State Trust and Savings Bank to Roger and Dee Jepsen on April 27, 1978. The principal was due on demand with interest at 9% payable semi annually.

On April 16, 1979, a surface violation letter was sent to the Committee informing them that Mrs. Jepsen's part in the loan indicated a possible violation of §441a by the Committee. The Committee responded by letter dated April 20, 1979, stating that "since the obligation in question was signed by Roger W. and Dee A. Jepsen, his wife, and was handled in accordance with banking regulations, ... it constitutes a debt of the campaign committee and should in no way be construed as a contribution." The response was considered inadequate and, on June 8, 1979, reason to believe was found that the Committee was in violation of §441a. On June 14, 1979, the Committee responded in writing stating that "it is normal procedure for a bank in making a loan to any individual to require the individual's spouse to sign the loan along with the borrower. The funds loaned by Roger Jepsen to Friends of Roger Jepsen were assets under the joint dominion and common control of Roger and Dee Jepsen." The Committee included a copy of its note to Roger Jepsen. While it did not include a copy of Mr. and Mrs. Jepsen's note to the bank, the Committee Treasurer, on June 25, 1979, submitted a letter stating that "... the loan was obtained on the basis of known assets, familiar to the bank, under the joint dominion and control of Mr. and Mrs. Jepsen."

PRELIMINARY ANALYSIS

Section 441a(a)(1)(A) of the Act prohibits the making of contributions in excess of $1,000 and §441a(f) prohibits the acceptance of such contributions. While there is no limit on the amount of personal funds a candidate may contribute to his own campaign, the term "personal funds," consistent with the Supreme Court's decision in Buckley v. Valeo, 424 U.S. 1, 52-54 (1976), is defined by the regulations. In this connection, assets of an immediate family member of a candidate are considered "personal funds" of the candidate only if they were "... assets to which at the time he ... became a candidate the candidate had legal and rightful title, or ... the right of beneficial enjoyment, under applicable State law, and which the candidate had legal right of access to or control over ..." Regulations §110.10(b), Advisory Opinions 76-26, 76-74.

Here, the $35,000 which was transferred by the candidate to his committee originated as a bank loan to the candidate. The candidate's wife signed the bank loan in some capacity and, in so doing, might be in violation of §441a(a)(1)(A). See also §431(8)(B)(vii)(I).*While the Committee treasurer stated that "... the loan was obtained on the basis of known assets ... under the joint dominion and control of Mr. and Mrs. Jepsen," this statement by itself should not serve to place the entire bank loan within the category of "personal funds" of the candidate. There must be facts to establish that all of the security was, according to Iowa law, under Senator Jepsen's control or within his right of beneficial enjoyment. Under Iowa law

> there is no presumption conveyances of real estate or transfers of personalty to two or more persons create a joint tenancy with right of survivorship. Rather the presumption is they create a tenancy in common unless a contrary intent is expressed. 1/

Furthermore, there is no presumption, as there is in community property states, that all of the property of one spouse obtained during marriage

---

1/ In Re Estate of Stamets, 260 Iowa 93, 148 N.W. 2d 468 (1967).

* This was formerly §431(e)(5)(G)(ii).

would be considered to be the property of the other spouse. 2/

Therefore, we think that specific inquiries ought to be made of the Jepsens concerning the loan and the nature of the ownership of the property which secured the principal. The Commission should therefore find reason to believe that Mrs. Jepsen may have violated §441a(a)(1)(A) in connection with the loan and authorize an investigation of this matter.

RECOMMENDATION

1. Find reason to believe that Mrs. Dee Jepsen may have violated 2 U.S.C. §441a(a)(1)(A).

2. Authorize the attached letter.

ATTACHMENTS

Referral from RAD
Proposed letter to Senator and Mrs. Jepsen with questions

2/ See Iowa Code §§597.1 *et seq.* and 633.211 *et seq.*

MUR 104

D 489
RAD 96-158

REFER TO INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING

REPORTS ANALYSIS REFERRAL SHEET

DATE Oct. 4, 1979

ANALYST Susan Weber SW

TO: OGC

TEAM CHIEF Peter Kell, Jr.

THROUGH: STAFF DIRECTOR

COMPLIANCE REVIEW

FROM: ASSISTANT STAFF DIRECTOR FOR REPORTS ANALYSIS

CANDIDATE/COMMITTEE:

Friends of Roger Jepsen

TREASURER:

John L. Henss

ADDRESS:

P.O. Box 1322, Des Moines, IA 50305

AFFILIATE(S):

ALLEGATION(S):	CITE:	ATTACHMENT(S)
Receipt of an excessive contribution from an individual	441a(a)(1)(A)	2a

MANNER IN WHICH REVIEW WAS INITIATED if other than normal review, AND DATE:

Normal Review- 4/3/79

ATTACHMENT

REPORTS: All reports within the dates listed below have received initial basic review. For all reports reviewed, see Attachment 1.

PERIOD COVERED FROM 4/1/78 TO 5/22/78

TOTAL RECEIPTS $ 121448 TOTAL EXPENDITURES $ 95839

CASH ON HAND $ 29948 DEBTS $ 78258

HISTORY:

RESULTS OF REVIEW:	ATTACHMENT
RFAI sent 6/27/78 for particulars of debt. Amended Schedule C received 10/18/78	2, 2a
1st Surface Violation notice sent- 4/16/79	6
2nd Surface Violation notice sent- 6/8/79 on the 10 Day Pre-Primary report	8

COMMUNICATIONS WITH CANDIDATE/COMMITTEE:	ATTACHMENT
Telecon dated- 8/1/78	3
Telecon dated- 8/3/78	4
Telecon dated- 6/25/79	10
Meeting dated- 1/4/79	5

REASON(S) FOR REFERRAL:	ATTACHMENT
Response received- 4/23/79- Inadequate	7
Response received- 6/14/79- Inadequate	9
Response received- 6/27/79- Inadequate	11

OTHER PENDING ACTIONS INITIATED BY RAD: ATTACHMENT

N/A

OTHER RELEVANT INFORMATION:

N/A

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/ PARTY	RECEIPTS PRIMARY	RECEIPTS GENERAL	EXPENDITURES PRIMARY	EXPENDITURES GENERAL	COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
JEPSEN, ROGER	SENATE REPUBLICAN PARTY			IOWA		1978 ELECTION		ID# S8IA00039
1. STATEMENT OF CANDIDATE								
1978 STATEMENT OF CANDIDATE						29MAR78	3	78SEN/002/3458
2. CANDIDATE REPORTS OF RECEIPT & EXPENDITURES								
TOTAL		0	0	0	0		0	TOTAL PAGES
3. PRINCIPAL CAMPAIGN COMMITTEE								
FRIENDS OF ROGER JEPSEN						ID# C00091108		
1978 STATEMENT OF ORGANIZATION						29MAR78	5	78SEN/002/3461
STATEMENT OF ORGANIZATION - AMENDMENT						25MAY78	3	78SEN/006/0607
48 HOUR CONTRIBUTION NOTICE						8JUN78	3	78SEN/006/3292
48 HOUR CONTRIBUTION NOTICE						9JUN78	2	78SEN/006/3046
STATEMENT OF ORGANIZATION - AMENDMENT						8AUG78	3	78SEN/010/1928
48 HOUR CONTRIBUTION NOTICE						25OCT78	2	78SEN/015/2244
48 HOUR CONTRIBUTION NOTICE						25OCT78	2	78SEN/015/2108
48 HOUR CONTRIBUTION NOTICE						30OCT78	3	78SEN/016/1425
48 HOUR CONTRIBUTION NOTICE						30OCT78	2	78SEN/016/2007
48 HOUR CONTRIBUTION NOTICE						30OCT78	3	78SEN/016/3068
48 HOUR CONTRIBUTION NOTICE						31OCT78	2	78SEN/016/3522
48 HOUR CONTRIBUTION NOTICE						31OCT78	3	78SEN/016/3137
48 HOUR CONTRIBUTION NOTICE						1NOV78	2	78SEN/016/4311
48 HOUR CONTRIBUTION NOTICE						4NOV78	2	78SEN/017/0426
48 HOUR CONTRIBUTION NOTICE						6NOV78	3	78SEN/017/0415
48 HOUR CONTRIBUTION NOTICE						6NOV78	2	78SEN/017/0865
48 HOUR CONTRIBUTION NOTICE						6NOV78	3	78SEN/017/0690
48 HOUR CONTRIBUTION NOTICE						6NOV78	3	78SEN/017/0693
48 HOUR CONTRIBUTION NOTICE						7NOV78	3	78SEN/017/1169
✓ APRIL 10 QUARTERLY		8,185		3,845		1JAN78 -31MAR78	9	78SEN/004/1649
REQUEST FOR ADDITIONAL INFORMATION						1JAN78 -31MAR78	3	78FEC/073/2226
✓ APRIL 10 QUARTERLY - AMENDMENT						1JAN78 -31MAR78	3	78SEN/005/0124
✓ APRIL 10 QUARTERLY - AMENDMENT		8,185		3,845		1JAN78 -31MAR78	10	78SEN/005/0731
✓ 10 DAY PRE-PRIMARY		121,448		95,839		1APR78 -22MAY78	36	78SEN/006/0448
REQUEST FOR ADDITIONAL INFORMATION						1APR78 -22MAY78	4	78FEC/077/4450
REQUEST FOR ADDITIONAL INFORMATION						1APR78 -22MAY78	1	79FEC/125/1765
✓ 10 DAY PRE-PRIMARY - AMENDMENT						1APR78 -22MAY78	9	78SEN/008/3201
✓ 10 DAY PRE-PRIMARY - AMENDMENT						1APR78 -22MAY78	11	78SEN/010/1802
✓ 10 DAY PRE-PRIMARY - AMENDMENT						1APR78 -22MAY78	19	78SEN/015/1123
✓ 10 DAY PRE-PRIMARY - AMENDMENT						1APR78 -22MAY78	3	79SEN/003/2510
✓ 30 DAY POST-PRIMARY		66,746		84,638		23MAY78 -26JUN78	24	78SEN/007/2718
REQUEST FOR ADDITIONAL INFORMATION						23MAY78 -26JUN78	3	78FEC/088/3976
✓ 30 DAY POST-PRIMARY - AMENDMENT						23MAY78 -26JUN78	8	78SEN/008/3193
✓ 30 DAY POST-PRIMARY - AMENDMENT						23MAY78 -26JUN78	3	78SEN/009/2280
✓ 30 DAY POST-PRIMARY - AMENDMENT						23MAY78 -26JUN78	22	78SEN/015/1101
✓ JULY 10 QUARTERLY		1,653		8,517		27JUN78 -30JUN78	16	78SEN/009/0079
REQUEST FOR ADDITIONAL INFORMATION						27JUN78 -30JUN78	2	78FEC/088/3979
✓ JULY 10 QUARTERLY - AMENDMENT						27JUN78 -30JUN78	3	78SEN/010/2127
✓ JULY 10 QUARTERLY - AMENDMENT						27JUN78 -30JUN78	13	78SEN/015/1088
✓ OCTOBER 10 QUARTERLY			255,905		246,315	1JUL78 -30SEP78	76	78SEN/013/1744
REQUEST FOR ADDITIONAL INFORMATION						1JUL78 -30SEP78	3	79FEC/124/1683
✓ OCTOBER 10 QUARTERLY - AMENDMENT			255,905		246,315	1JUL78 -30AUG78	6	78SEN/015/0304
✓ OCTOBER 10 QUARTERLY - AMENDMENT						1JUL78 -30SEP78	35	78SEN/017/1670

8 0 0 4 0 1 9 2 5 0 4

FEDERAL ELECTION COMMISSION
1977-1978
CANDIDATE INDEX OF SUPPORTING DOCUMENTS - (E)

DATE 24JUL79

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/ PARTY	RECEIPTS PRIMARY	RECEIPTS GENERAL	EXPENDITURES PRIMARY	EXPENDITURES GENERAL	COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
OCTOBER 10 QUARTERLY - AMENDMENT			255,905		246,315	1JUL78 -30SEP78	86	79SEN/003/3575
10 DAY PRE-GENERAL			101,748		81,743	1OCT78 -23OCT78	62	78SEN/015/2161
REQUEST FOR ADDITIONAL INFORMATION						1OCT78 -23OCT78	2	79FEC/121/2093
REQUEST FOR ADDITIONAL INFORMATION						1OCT78 -23OCT78	2	79FEC/124/1686
10 DAY PRE-GENERAL - AMENDMENT			101,748		81,743	1OCT78 -23OCT78	61	79SEN/003/3514
30 DAY POST-GENERAL			106,963		138,708	24OCT78 -27NOV78	61	78SEN/018/2045
REQUEST FOR ADDITIONAL INFORMATION						24OCT78 -27NOV78	2	79FEC/124/1688
30 DAY POST-GENERAL - AMENDMENT			106,963		138,708	24OCT78 -27NOV78	1	79SEN/001/0764
30 DAY POST-GENERAL - AMENDMENT			106,963		138,708	24OCT78 -27NOV78	63	79SEN/003/3451
YEAR END REPORT			75,933		68,663	31DEC78	55	79SEN/001/0770
REQUEST FOR ADDITIONAL INFORMATION						31DEC78	2	79FEC/124/1690
YEAR END REPORT - AMENDMENT			75,933		68,663	28NOV78 -31DEC78	54	79SEN/003/3397
YEAR END REPORT - AMENDMENT						28NOV78 -31DEC78	4	79SEN/003/4162
TOTAL		198,032	540,549	192,839	535,429		828 TOTAL PAGES	
4. AUTHORIZED COMMITTEES								
OFFICE ACCT- ROGER JEPSEN						ID# C10001220		
5. OTHER SUPPORTING DOCUMENTS		CONTRIBUTIONS TO		EXPENDITURES				
ABBOTT LABORATORIES BETTER GOVERNMENT FUND						ID# C00040279		
CONNECTED ORGANIZATION: ABBOTT LABORATORIES								
1978 SEPTEMBER MONTHLY		200		0		11AUG78	1	78FEC/085/4562
YEAR END REPORT		250		0		6DEC78	1	79FEC/118/3065
ACA'S SAMPAC						ID# C00034785		
CONNECTED ORGANIZATION: COLLECTOR'S ASS'N. INC; AMERICAN								
1978 30 DAY POST-GENERAL		500		0		22NOV78	1	78FEC/116/0791
ACBL/JEFFBOAT POLITICAL ACTION COMMITTEE						ID# C00077982		
CONNECTED ORGANIZATION: TEXAS GAS TRANSMISSION CORP.								
1978 10 DAY PRE-GENERAL		500		0		23OCT78	1	78FEC/095/1645
AGRICULTURAL & DAIRY EDUCATIONAL POLITICAL TRUST						ID# C00001388		
CONNECTED ORGANIZATION: DAIRYMEN, INC.; MID-AMERICA								
1978 YEAR END REPORT		2,000		0		19DEC78	1	79FEC/116/3919
ALCOA EMPLOYEES POLITICAL FUND						ID# C00039172		
CONNECTED ORGANIZATION: ALUMINUM COMPANY OF AMERICA								
1978 10 DAY PRE-GENERAL		1,000		0		9OCT78	1	78FEC/091/4023
YEAR END REPORT		500		0		29NOV78	1	79FEC/117/4491
ALLEGHENY LUDLUM COMMITTEE FOR EFFECTIVE GOVERNMENT						ID# C00040204		
CONNECTED ORGANIZATION: ALLEGHENY LUDLUM INDUSTRIES, INC.								
1978 OCTOBER 10 QUARTERLY		300		0		10JUL78	1	78FEC/089/0560
10 DAY PRE-GENERAL		200		0		23OCT78	1	78FEC/093/2221
ALLIED CHEMICAL POLITICAL ACTION COMMITTEE (ACPAC)						ID# C00096156		
CONNECTED ORGANIZATION: ALLIED CHEMICAL CORPORATION								
1978 10 DAY PRE-GENERAL		250		0		18OCT78	1	78FEC/092/2868
AMAX CONCERNED CITIZENS FUND						ID# C00035592		
CONNECTED ORGANIZATION: AMAX INC								
1978 10 DAY PRE-GENERAL		250		0		12OCT78	1	78FEC/093/1323

TERMINATED

PCC C00050500 COMMITTEE TO ELECT RODERICK J. WILSON

850 STANLEY ST.

OCEANSIDE CA 92054

SCHEDULE C
REVISED
January, 1978
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

DEBTS AND OBLIGATIONS

Supporting Line Numbers 12 and 13 of FEC FORM 3

(Indicate Primary or General Election for each Entry)

Line Number 12

(Use Separate Schedules for each numbered line)

Name of Candidate and Committee in Full

FRIENDS OF ROGER JEPSEN

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Roger W. Jepsen 2330 Harrison Davenport, Iowa 52803 X Primary	4-27-78	$35,000.00	$ None	$35,000.00
Nature of Obligation: Promissory note for cash loaned, note is payable on demand with annual interest rate of 9%.				
Internal Revenue Service Kansas City, Missouri 64999 X Primary	Various	$ [illegible]	$ None	$ [illegible]
Nature of Obligation: Taxes withheld				
Treasurer, State of Iowa State Office Building Des Moines, Iowa 50319 X Primary	Various	$ 105.51	$ None	$ 105.51
Nature of Obligation: Taxes Withheld				
SUBTOTALS this period this page (optional)		$	$	$
TOTAL this period (last page this line number only)		$	$	$

FEDERAL ELECTION COMMISSION

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

June 27, 1978

Mr. John L. Henss, Treasurer
Friends of Roger Jepsen
P.O. Box 1322
Des Moines, IA 50305

Dear Mr. Henss:

This letter is prompted by our interest in assisting Senate candidates and committees who wish to comply with the Federal Election Campaign Act.

During review of the 10 Day Pre-Primary Report of Receipts and Expenditures, we noted that you omitted certain information or made apparent mathematical errors in certain entries. Attached is an itemization of the information requested.

While we recognize the difficulties you may have experienced in filling out the reporting forms, we must ask that you supply the Secretary of the Senate, Office of Public Records, 119 D Street, N.E., Washington, D.C. 20510, with the missing information within fifteen (15) days from the date of this letter. If you have any questions, please do not hesitate to contact Susan Weber in our Reports Analysis Division on the toll free number (800)424-9530. Our local number is (202)523-4048.

Sincerely,

Orlando B. Potter

Orlando B. Potter
Staff Director

Attachment
FEC Form 11

1325 K Street, N.W.
Washington, D.C. 20463

RL/S

TO: FRIENDS OF ROGER JEPSEN/ IA

DATE: June 27, 1978

I.D. NO.: C00091108

REQUEST FOR ADDITIONAL INFORMATION FOR THE 10 Day Pre-Primary REPORT OF RECEIPTS AND EXPENDITURES COVERING THE PERIOD 4/1/78 THROUGH 5/22/78, PURSUANT TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971, AS AMENDED.

A review of the report indicates that additional information is needed in order to be considered complete. Please return a copy of this form with your amended submission(s).

Please provide the required data, as indicated (x):

___ Coverage Dates ___ omitted or ___ incorrect

___ Signature ___ omitted or ___ incorrect

___ Summary Page Line(s) ___ Column(s) ___ Totals ___ omitted or ___ incorrect

X Detailed Summary (Page 2) Line(s) 25 Column(s) A Totals ___ omitted or X incorrect

X Schedule Totals X disagree with Detailed Summary (Page 2) or ___ omitted

___ Date(s) ___ omitted or ___ inadequate for Schedule(s) ___ Line(s) ___

___ Full Name(s) Omitted for Schedule(s) ___ Line(s) ___

___ Mailing Address(es) ___ omitted or ___ inadequate for Schedule(s) ___ Line(s) ___

___ Occupational Descriptions ___ omitted or ___ inadequate for Schedule(s) ___ Line(s) ___

X Principal Place(s) of Business ___ omitted or X inadequate for Schedule(s) A Line(s) 14(a)

X Aggregate Year-to-date Totals X omitted or ___ inadequate for Schedule(s) A Line(s) 14, 15, & 17

___ Nature or Purpose of Expenditure ___ omitted or ___ inadequate for Schedule(s) ___ Line(s) ___

___ Nature or Purpose of Receipt ___ omitted or ___ inadequate for Schedule(s) ___ Line(s) ___

___ Inadequate Description of ___ proceeds ___ dates ___ events ___ location of Schedule ___

X Other: Each person who has made one or more contributions in excess of $100 must be identified by full name, mailing address, occupation (type of work or position), and principal place of business (name of employer or employing organization (See page two)

Your initial submission(s), together with this request for additional information, has been made available for public inspection. The Commission urges you to file the additional submission(s) promptly to the above address. If you have any questions regarding this request, please call the Disclosure Division toll free at (800) 424-9530. The local Washington, D.C. telephone number is (202) 523-4068.

Senate filers should file their submission(s) with the Secretary of the Senate, Office of Public Records, 119 D St., N.E., Washington, D.C. 20510. House filers should file their submission(s) with the Clerk of the House, Office of Records and Registration, 1036 Longworth House Office Building, Washington, D.C. 20515.

FEC FORM 12
(Revised April 1977)

R7A1 - 10 Day Pre-Primary Report

10P

2L/5

FRIENDS OF ROGER JEPSEN

REQUEST FOR ADDITIONAL INFORMATION

PAGE TWO

(Continued from page one)

and city and state in which business is conducted). Self-employed contributors must be identified as such, along with type of work or profession and city where self-employed. Please provide the principal place of business for contributors.

Please be advised that 2 U.S.C. 434(b)(12) states that each report shall disclose the amount and nature of debts and obligations owed by or to the committee, in such form as the Commission may prescribe and a continuous reporting of their debts and obligations after the election at such periods as the Commission may require until such debts and obligations are extinguished, together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefor.

Section 104.2(b)(11) of the FEC Regulations states that each report shall disclose the amount and nature of outstanding debts and obligations owed by or to the committee including any written contracts, agreements, or promises to make contributions or expenditures. Please provide the nature of the debt or obligation for Schedule C as well as the exact date which the debt was incurred.

MEMORANDUM FOR FILES

RE: TELECON 515 276-3062

FROM: John Henss to Susan Weber

DATE: 8/1/78

NAME OF COMMITTEE: Friends of Roger Jepsen

I returned John Henss' call concerning allegations that he (the committee) had witheld information from the FEC. I had sent him an RFAI for the 10 day pre-primary report which he had answered except for the inquiry about debts. I told him to send in a letter clarifying the debts (he had omitted dates and failed to provide nature of obligation). I told him that if the $35000 loan was in fact from a bank to report the name of the bank and circumstances, etc.

MEMORANDUM: FOR FILES

RE: TELECON 515 276-3062

FROM: Susan Weber to John Henss

DATE: 8/3/78

NAME OF COMMITTEE: Friends of Roger Jepsen

I called John Henss in response to his inquiry concerning the reporting of the $35,000 loan from Roger Jepsen which has caused so much controversy. He had inquired ~~exactly~~ about what had to be reported precisely. I talked to John Tyson and he said that I should only be concerned about the reporting obligations and not try to second guess the circumstances of the loan. I read John Henss a sheet on more detailed explanation of reporting of loans and sent him a copy. He said he would send in another amendment as soon as possible.

AMENDED (5-23-78)

DEBTS AND OBLIGATIONS

Supporting Line Numbers 12 and 13 of FEC FORM 3

(Indicate Primary or General Election for each Entry)

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

Line Number 13

(Use Separate Schedules for each numbered line)

Name of Candidate and Committee in Full: FRIENDS OF ROGER JEPSEN

32522
IA REP C992

4/1/78 - 5/22/78

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Roger W. Jepsen 2330 Harrison Davenport, Iowa 52803 X Primary / General / Other	4-27-78	$35,000.00	$ None	$35,000.00

NATURE OF OBLIGATION (Details of Debt)

Roger W. and Dee A. Jepsen borrowed $35,000.00 from the Security State Trust and Savings Bank, Bettendorf, Iowa on April 26, 1978. The principal of that note is due on demand by the lender. Interest is at the annual rate of 9% payable semi-annually. Roger W. Jepsen loaned $35,000.00 to the Committee on April 27, 1978. That note is payable on demand, annual interest rate is 9%.

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Internal Revenue Service Kansas City, Missouri 64999 X Primary / General / Other	See Attached List	$ 1,029.36	$ None	$ 1,029.36

NATURE OF OBLIGATION (Details of Debt)

Taxes withheld

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Treasurer, State of Iowa State Office Building Des Moines, Iowa 50319 X Primary / General / Other	See Attached List	$ 108.51	$ None	$ 108.51

NATURE OF OBLIGATION (Details of Debt)

Taxes Withheld

SUBTOTALS this period this page (optional)	$	$	$
TOTAL this period (last page this line number only)	$	$	$

Carry outstanding balance only to appropriate line of summary.

7 9 1 0 3 9 4 5 1 2 3

MEETING WITH SENATOR ROGER JEPSEN 1/4/79 1:30

Senator Roger Jepsen, accompanied by two other gentlemen, came to the FEC for a meeting which had been arranged by Roger Jepsen the previous day with no mention of its purpose. I initially explained to him our general procedures and function and related the document flow to him. He was very astounded at our general purpose- serving the public or public disclosure. He couldn't seem to comprehend the accessibility of our files to the public.

He initially asked a series of general and innocuous questions about limitations, disclaimers, etc. He then proceeded to the matter which was the apparent reason for his visit. He referred to the 10 Day Pre-Primary report and specifically the loan in the amount of $35,000 which he and his wife had received from a bank and he in turn had loaned to the committee. I had sent an RFAI which requested, among other things, more information on the nature of the obligations for the debts on Schedule C.

There had been an article in the Des Moines Register which had alleged that he had not answered the RFAI and in fact was witholding information from the FEC. He then related a telephone conversation with the FEC in which someone at one point replied to a general question that the files "were in order".

He felt that the FEC should issue a written statement declaring that his reports were in order and thus vindicating him of any "charges". Someone at the FEC had informed him that it was against our policy to issue such a written statement. He asked me that question repeatedly, and I replied that it was not our policy to the best of my knowledge and this was corroborated by Sharon Snyder, Gary Greenhalgh, and finally Chairman Aikens. He went on at length about how someone was trying to do him in and he felt that it was up to the FEC to clarify it in writing and verify what someone had told him verbally.

I showed him to the Press Office at his request where he talked to Sharon Snyder and Gary Greenhalgh, who attempted to convey the relative ease with which reporters may distort, or otherwise misinterpret information extracted from microfilm or the documents themselves.

Finally, he was introduced to Chairman Aikens who defended the FEC and said that she sympathized with his situation but reiterated that it is not FEC policy to issue such a written statement. However, she told Senator Jepsen that she would work on such a form to protect candidates in such an instance.

The matter of the loan in question is still not totally resolved, as there is still some ambiguity concerning the loan from the bank and whether his wife has exceeded her limitation by signing the loan. It would appear that more information is needed to clarify the matter.

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

April 16, 1979

John L. Henss, Treasurer
Friends of Roger Jepsen
P. O. Box 1322
Des Moines, Iowa 50305

Dear Mr. Henss:

This letter is prompted by the Commission's interest in assisting candidates and committees who wish to comply with the Federal Election Campaign Act, as amended. During review of the 10 Day Pre-Primary Report of Receipts and Expenditures, we noticed an entry indicating that you may have received a contribution which exceeds the limits set forth in the Act. A copy of that portion of your report is attached so that a review of your records can be made.

The Act precludes individuals from making political contributions to a candidate for Federal election in excess of $1,000 per election.

The Commission recommends that if you find the contribution you received was in excess of the limits set forth in the Act you return the amount in excess of $1,000 to the donor. This return should be reported immediately by letter and should be reflected as a contribution refund on your next report of receipts and expenditures. If you find that the entry in question is incomplete or incorrect, please submit a statement which would clarify this particular matter for the public record. You may do so by amending your original report by letter.

Please notify the Commission within fifteen (15) days from the date of this letter of the determination made on this matter. If you have any questions concerning this matter, please do not hesitate to contact Susan Weber (800)424-9530, our Reports Analyst assigned to you. Our local telephone number is 523-4048.

Sincerely,

Orlando B. Potter

Orlando B. Potter
Staff Director

CERTIFIED PUBLIC ACCOUNTANTS
2190 EIGHTY SECOND STREET
P.O. BOX 1322
DES MOINES, IOWA 50305

JOHN L. HENSS, C.P.A., P.C.
STEPHEN K. THIELKING, C.P.A., P.C.

276-3062
AREA CODE 515

SECRETARY OF THE SENATE
79 APR 24 10:31
HAND DELIVERED ☐

RECEIVED
FEDERAL ELECTION
COMMISSION
'79 APR 23 PM 1:49

April 20, 1979

Mr. Orlando B. Potter
Staff Director
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: Friends of Roger Jepsen
5 SV 1/79-7

Dear Mr. Potter:

In response to your letter of April 16, 1979, you request information regarding a loan in the amount of $35,000.00 made to the committee.

Chapter 14 Section 431(e)(5)(G) of the Federal Election Campaign Act, as amended, states "When used in this chapter - . . . contribution - . . . does not include - . . . a loan of money by a national or state bank in accordance with the applicable banking laws and regulations and in the ordinary course of business . . ."

Section 140.13 of the Federal Election Commission Regulations states, "(b) Contribution does not include (1) a loan of money by a national or state bank made in accordance with applicable banking laws and regulations and in the ordinary course of business and not endorsed or guaranteed by a person other then the candidate to the extent that the amount so endorsed by the candidate when added to all other expenditures made from his personal funds and those of his immediate family does not exceed $50,000.00."

Since the obligation in question was signed by Roger W. and Dee A. Jepsen, his wife, and was handled in accordance with banking regulations, it is our feeling that it constitutes a debt of the campaign committee and should in no way be construed as a contribution.

Sincerely,

John L. Henss

John L. Henss

vah

cc: Mr. John Maxwell
5327 Dirksen
Washington, D.C. 20510

S 2522
IA REP C992

4/1/78 - 5/22/78

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 8, 1979

John L. Henss, Treasurer
Friends of Roger Jepsen
PO Box 1322
Des Moines, IA 50305

Dear Mr. Henss:

On April 16, 1979, you were notified that certain entries in the 10 Day Pre-Primary Report of Receipts and Expenditures filed by your committee raised problems under 2 U.S.C. 441a.

We received a response from you on April 23, 1979, however, we found your response to be inadequate. Your failure to provide an adequate response gives the Commission reason to believe that you may have committed a violation of 2 U.S.C. 441a.

The Commission will take no action against you until you have had a reasonable opportunity to respond to this letter. This response should be mailed to the Commission within fifteen (15) days from the date of this letter.

If you have responded to the above or you require additional information, please contact Susan Weber, our Reports Analyst assigned to you on our toll free number (800)424-9530. Our local number is (202) 523-4048.

Sincerely,

Commissioner

Certified Mail:
Return Receipt Requested

Ode, Henss and Thielking

CERTIFIED PUBLIC ACCOUNTANTS

2190 EIGHTY-SECOND STREET
P.O. BOX 1322

DES MOINES, IOWA 50305

JOHN L. HENSS C.P.A., P.C.
STEPHEN K. THIELKING, C.P.A., P.C.

278-3062
AREA CODE 515

June 14, 1979

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

Re: Friends of Roger Jepsen
5SV2/79-4

Dear Mr. Friedersdorf:

We have your letter of June 8, 1979 indicating that our response to the Federal Election Commission's request of April 16, 1979 was not adequate.

In the letter dated April 16, 1979 from Orlando B. Potter, Staff Director of the Federal Election Commission, it was stated, "We noticed an entry indicating that you may have received a contribution which exceeds the limits set forth in the act." Attached to that letter was a photocopy of page 1, schedule C from our May 23, 1978 report. On that photocopy the item which the staff indicated as being in question was a loan to the campaign committee in the amount of $35,000.00 which was made on April 27, 1978 and which was explained as "Roger W. and Dee A. Jepsen borrowed $35,000.00 from the Security State Trust and Savings Bank, Bettendorf, Iowa on April 26, 1978. The principal of that note is due on demand by the lender. Interest is at the annual rate of 9 percent payable semi-annually. Roger W. Jepsen loaned $35,000.00 to the committee on April 27, 1978. That note is payable on demand, annual interest rate is 9 percent."

We did not report nor did we consider that loan as a campaign contribution. Our method of reporting that particular item was based upon Section 431(e)(5)(G) of the Federal Election Campaign Act, as amended, which states, "When used in this chapter - . . . contribution - . . . does not include - . . . a loan of money by a national or state bank in accordance with the applicable banking laws and regulations and in the ordinary course of business, but such loans - (i) shall be reported in accordance with the requirements of Section 434(b); and (ii) shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers of guarantors."

Section 434(b) of the Federal Election Campaign Act, as amended, states, "Each report under this section shall disclose - . . . (12) the amount and nature of debts and obligations owed by or to the committee, in such form as the commission may prescribe in the continuous reporting of their debts and obligations after the election at such periods as the commission may require until such debts and obligations are extinguished, together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefore."

Federal Election Commission regulations 110.10 states, "(a) Except as provided in Sub-chapters C and D of this chapter pertaining to presidential candidates, candidates for Federal office may make unlimited expenditures from personal funds. (b) For purposes of this section, personal funds means - (1) any assets to which at any time he or she became a candidate the candidate had legal and rightful title, or with respect to which the candidate had the right of beneficial enjoyment, under applicable state law, and which the candidate had legal right of access to or control over, including funds from immediate family members; . . ."

Enclosed with this letter is a copy of the promissory note payable by Friends of Roger Jepsen to Roger Jepsen. This demonstrates that the intent of both the campaign committee and the candidate was that this amount constitutes a valid debt and was in no way a campaign contribution.

It is a normal procedure for a bank in making a loan to any individual to require that individual's spouse to sign the loan along with the borrower. The funds loaned by Roger Jepsen to Friends of Roger Jepsen were assets under the joint dominion and common control of Roger and Dee Jepsen. Accordingly, based upon the law and regulations, particularly those cited above, we feel that we reported the subject transaction properly. We certainly have no intention of violating the Federal Election Campaign Laws but, again based upon those laws and the regulations issued thereunder, we feel that our reporting has been correct.

Thank you for your help on this matter.

Sincerely,

John L. Henss

John L. Henss

vah

Enc.

cc: Honorable Roger W. Jepsen
United States Senator from Iowa
5327 Dirksen Senate Office Building
Washington, D.C. 20510

PROMISSORY NOTE

$35,000.00

Des Moines, Iowa
April 27, 1978

For value received, the undersigned promises to pay, on demand, in lawful money of the United States of America to the order of Roger Jepsen, at Davenport, Iowa, the sum of Thirty-five Thousand Dollars ($35,000.00), together with interest at the rate of nine percent (9%) per annum on the unpaid balance until paid.

Any payments shall be credited first to the payment of accrued interest, and the balance of such payment in excess of said interest shall be credited upon the principal of this note, and thereafter interest shall be charged only upon the remaining unpaid part of the principal. Said payments to continue until aggregate amount paid on account of principal shall equal to the amount of the total principal promised herein.

Now, should it become necessary to collect this note through an attorney the debtor hereby agrees to pay all costs of collection, including a reasonable attorney's fee and hereby waives presentment for payment, protest, and notice of protest and nonpayment of this note.

FRIENDS OF ROGER JEPSEN, DEBTOR

By [signature]

E: TELECON

ROM:

ATE: 25 June 1979

AME OF COMMITTEE: Friends of Roger Jepson Sen. Iowa

Peter Kell spoke with John Heuss, treasurer of the above captioned committee regarding an inadequate response to a surface violation.

Mr. Heuss, said that he would send in additional information, in the form of a letter, further clarifying the loan situation.

PK Jr.

Oden, Henss and Shielking
CERTIFIED PUBLIC ACCOUNTANTS
2190 EIGHTY-SECOND STREET
P.O. BOX 1322
DES MOINES, IOWA 50305

[illegible] C.P.A. P.C.
[illegible] C.P.A. P.C.

276-3062
AREA CODE 515

June 25, 1979

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

Dear Mr. Friedersdorf:

With reference to our conversation concerning the loan made by Roger Jepsen to Friends of Roger Jepsen this will clarify that the loan was obtained on the basis of known assets, familiar to the bank, under joint the joint dominion and control of Mr. and Mrs. Jepsen.

Sincerely,

John L. Henss

John L. Henss

vah

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Honorable and Mrs. Roger Jepsen
United States Senate
5327 Dirksen Senate Office Building
Washington, D.C. 20510

Re: MUR 1042 (79)

Dear Senator and Mrs. Jepsen:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that Mrs. Jepsen may have violated section 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended ("the Act"). This section of the Act makes it unlawful for a person to contribute in excess of $1,000 to a Federal candidate or committee. A description of the possible violation and the Commission's legal analysis of it is attached.

We have numbered this matter MUR 1042. Please refer to this number in all future correspondence.

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

In the absence of any additional information which demonstrates that no further action should be taken against Mrs. Jepsen, the Commission may find probable cause to believe that a violation has occurred, and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

If you have any questions, please contact Jonathan Levin, the staff member assigned to this matter, at 202-523-4060.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and §437g(a)(12)(A), formerly §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,

Robert O. Tiernan
Chairman

Max L. Friedersdorf
Vice Chairman

Enclosure

Interrogatories/Request for Documents

MUR 1042

D 489
RAD 94-158

REFER TO INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING

REPORTS ANALYSIS REFERRAL SHEET

DATE Oct. 4, 1979

ANALYST Susan Weber SW

TO: OGC

TEAM CHIEF Peter Kell, Jr.

THROUGH: STAFF DIRECTOR

COMPLIANCE REVIEW CB/PS

FROM: ASSISTANT STAFF DIRECTOR FOR REPORTS ANALYSIS

CANDIDATE/COMMITTEE:

Friends of Roger Jepsen

TREASURER:

John L. Henss

ADDRESS:

P.O. Box 1322, Des Moines, IA 50305

AFFILIATE(S):

ALLEGATION(S):	CITE:	ATTACHMENT(S)
Receipt of an excessive contribution from an individual	441a(a)(1)(A)	2a

MANNER IN WHICH REVIEW WAS INITIATED if other than normal review, AND DATE:

Normal Review- 4/3/79

ATTACHMENT

REPORTS: All reports within the dates listed below have received initial basic review. For all reports reviewed, see Attachment 1.

PERIOD COVERED FROM 4/1/78 TO 5/22/78

TOTAL RECEIPTS $ 121448 TOTAL EXPENDITURES $ 95839

CASH ON HAND $ 29948 DEBTS $ 78258

HISTORY:

RESULTS OF REVIEW:	ATTACHMENT
RFAI sent 6/27/78 for particulars of debt. Amended Schedule C received 10/18/78	2, 2a
1st Surface Violation notice sent- 4/16/79	6
2nd Surface Violation notice sent- 6/8/79 on the 10 Day Pre-Primary report	8

COMMUNICATIONS WITH CANDIDATE/COMMITTEE:	ATTACHMENT
Telecon dated- 8/1/78	3
Telecon dated- 8/3/78	4
Telecon dated- 6/25/79	10
Meeting dated- 1/4/79	5

REASON(S) FOR REFERRAL:	ATTACHMENT
Response received- 4/23/79- Inadequate	7
Response received- 6/14/79- Inadequate	9
Response received- 6/27/79- Inadequate	11

OTHER PENDING ACTIONS INITIATED BY RAD:	ATTACHMENT
N/A	

OTHER RELEVANT INFORMATION:

N/A

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/ PARTY	RECEIPTS PRIMARY	RECEIPTS GENERAL	EXPENDITURES PRIMARY	EXPENDITURES GENERAL	COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
JEPSEN, ROGER	SENATE REPUBLICAN PARTY			IOWA		1978 ELECTION	ID# S8IA00039	
1. STATEMENT OF CANDIDATE								
1978 STATEMENT OF CANDIDATE						29MAR78	3	78SEN/002/3458
2. CANDIDATE REPORTS OF RECEIPT & EXPENDITURES								
TOTAL		0	0	0	0		0	TOTAL PAGES
3. PRINCIPAL CAMPAIGN COMMITTEE								
FRIENDS OF ROGER JEPSEN						ID# C00091108		
1978 STATEMENT OF ORGANIZATION						29MAR78	5	78SEN/002/3461
STATEMENT OF ORGANIZATION - AMENDMENT						25MAY78	3	78SEN/006/0607
48 HOUR CONTRIBUTION NOTICE						8JUN78	3	78SEN/006/3292
48 HOUR CONTRIBUTION NOTICE						9JUN78	2	78SEN/006/3046
STATEMENT OF ORGANIZATION - AMENDMENT						8AUG78	3	78SEN/010/1928
48 HOUR CONTRIBUTION NOTICE						25OCT78	2	78SEN/015/2244
48 HOUR CONTRIBUTION NOTICE						25OCT78	2	78SEN/015/2108
48 HOUR CONTRIBUTION NOTICE						30OCT78	3	78SEN/016/1425
48 HOUR CONTRIBUTION NOTICE						30OCT78	2	78SEN/016/2007
48 HOUR CONTRIBUTION NOTICE						30OCT78	3	78SEN/016/3068
48 HOUR CONTRIBUTION NOTICE						31OCT78	2	78SEN/016/3522
48 HOUR CONTRIBUTION NOTICE						31OCT78	3	78SEN/016/3137
48 HOUR CONTRIBUTION NOTICE						1NOV78	2	78SEN/016/4311
48 HOUR CONTRIBUTION NOTICE						4NOV78	2	78SEN/017/0426
48 HOUR CONTRIBUTION NOTICE						6NOV78	3	78SEN/017/0415
48 HOUR CONTRIBUTION NOTICE						6NOV78	2	78SEN/017/0865
48 HOUR CONTRIBUTION NOTICE						6NOV78	3	78SEN/017/0690
48 HOUR CONTRIBUTION NOTICE						6NOV78	3	78SEN/017/0693
48 HOUR CONTRIBUTION NOTICE						7NOV78	3	78SEN/017/1169
APRIL 10 QUARTERLY		8,185		3,845		1JAN78 -31MAR78	9	78SEN/004/1649
REQUEST FOR ADDITIONAL INFORMATION						1JAN78 -31MAR78	3	78FEC/073/2226
APRIL 10 QUARTERLY - AMENDMENT						1JAN78 -31MAR78	3	78SEN/005/0124
APRIL 10 QUARTERLY - AMENDMENT		8,185		3,845		1JAN78 -31MAR78	10	78SEN/005/0731
10 DAY PRE-PRIMARY		121,448		95,839		1APR78 -22MAY78	36	78SEN/006/0448
REQUEST FOR ADDITIONAL INFORMATION						1APR78 -22MAY78	4	78FEC/077/4450
REQUEST FOR ADDITIONAL INFORMATION						1APR78 -22MAY78	1	79FEC/125/1765
10 DAY PRE-PRIMARY - AMENDMENT						1APR78 -22MAY78	9	78SEN/008/3201
10 DAY PRE-PRIMARY - AMENDMENT						1APR78 -22MAY78	11	78SEN/010/1802
10 DAY PRE-PRIMARY - AMENDMENT						1APR78 -22MAY78	19	78SEN/015/1123
10 DAY PRE-PRIMARY - AMENDMENT						1APR78 -22MAY78	3	79SEN/003/2510
30 DAY POST-PRIMARY		66,746		84,638		23MAY78 -26JUN78	24	78SEN/007/2718
REQUEST FOR ADDITIONAL INFORMATION						23MAY78 -26JUN78	3	78FEC/088/3976
30 DAY POST-PRIMARY - AMENDMENT						23MAY78 -26JUN78	8	78SEN/008/3193
30 DAY POST-PRIMARY - AMENDMENT						23MAY78 -26JUN78	3	78SEN/009/2280
30 DAY POST-PRIMARY - AMENDMENT						23MAY78 -26JUN78	22	78SEN/015/1101
JULY 10 QUARTERLY		1,653		8,517		27JUN78 -30JUN78	16	78SEN/009/0079
REQUEST FOR ADDITIONAL INFORMATION						27JUN78 -30JUN78	2	78FEC/088/3979
JULY 10 QUARTERLY - AMENDMENT						27JUN78 -30JUN78	3	78SEN/010/2127
JULY 10 QUARTERLY - AMENDMENT						27JUN78 -30JUN78	13	78SEN/015/1088
OCTOBER 10 QUARTERLY			255,905		246,315	1JUL78 -30SEP78	76	78SEN/013/1744
REQUEST FOR ADDITIONAL INFORMATION						1JUL78 -30SEP78	3	79FEC/124/1683
OCTOBER 10 QUARTERLY - AMENDMENT			255,905		246,315	1JUL78 -30AUG78	6	78SEN/015/0304
OCTOBER 10 QUARTERLY - AMENDMENT						1JUL78 -30SEP78	35	78SEN/017/1670

FEDERAL ELECTION COMMISSION
1977-1978

DATE 24JUL79

FEDERAL ELECTION COMMISSION
1977-1978
CANDIDATE INDEX OF SUPPORTING DOCUMENTS - (E)

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/ PARTY	RECEIPTS PRIMARY	RECEIPTS GENERAL	EXPENDITURES PRIMARY	EXPENDITURES GENERAL	COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
OCTOBER 10 QUARTERLY	- AMENDMENT		255,905		246,315	1JUL78 -30SEP78	86	79SEN/003/3575
10 DAY PRE-GENERAL			101,743		81,743	1OCT78 -23OCT78	62	78SEN/015/2161
REQUEST FOR ADDITIONAL INFORMATION						1OCT78 -23OCT78	2	79FEC/121/2093
REQUEST FOR ADDITIONAL INFORMATION						1OCT78 -23OCT78	2	79FEC/124/1686
10 DAY PRE-GENERAL	- AMENDMENT		101,748		81,743	1OCT78 -23OCT78	61	79SEN/003/3514
30 DAY POST-GENERAL			106,963		138,708	24OCT78 -27NOV78	61	78SEN/018/2045
REQUEST FOR ADDITIONAL INFORMATION						24OCT78 -27NOV78	2	79FEC/124/1688
30 DAY POST-GENERAL	- AMENDMENT		106,963		138,708	24OCT78 -27NOV78	1	79SEN/001/0764
30 DAY POST-GENERAL	- AMENDMENT		106,963		138,708	24OCT78 -27NOV78	63	79SEN/003/3451
YEAR END REPORT			75,933		68,663	31DEC78	55	79SEN/001/0770
REQUEST FOR ADDITIONAL INFORMATION						31DEC78	2	79FEC/124/1690
YEAR END REPORT	- AMENDMENT		75,933		68,663	28NOV78 -31DEC78	54	79SEN/003/3397
YEAR END REPORT	- AMENDMENT					28NOV78 -31DEC78	4	79SEN/003/4162
TOTAL		198,032	540,549	192,839	535,429		828	TOTAL PAGES
4. AUTHORIZED COMMITTEES								
OFFICE ACCT- ROGER JEPSEN						ID# C10001220		
5. OTHER SUPPORTING DOCUMENTS		CONTRIBUTIONS TO		EXPENDITURES				
ABBOTT LABORATORIES BETTER GOVERNMENT FUND						ID# C00040279		
CONNECTED ORGANIZATION: ABBOTT LABORATORIES								
1978 SEPTEMBER MONTHLY		200		0		11AUG78	1	78FEC/085/4562
YEAR END REPORT		250		0		6DEC78	1	79FEC/118/3065
ACA'S SAMPAC						ID# C00034785		
CONNECTED ORGANIZATION: COLLECTOR'S ASS'N. INC; AMERICAN								
1978 30 DAY POST-GENERAL		500		0		22NOV78	1	78FEC/114/0791
ACBL/JEFFBOAT POLITICAL ACTION COMMITTEE						ID# C00077982		
CONNECTED ORGANIZATION: TEXAS GAS TRANSMISSION CORP.								
1978 10 DAY PRE-GENERAL		500		0		23OCT78	1	78FEC/095/1645
AGRICULTURAL & DAIRY EDUCATIONAL POLITICAL TRUST						ID# C00001388		
CONNECTED ORGANIZATION: DAIRYMEN, INC.; MID-AMERICA								
1978 YEAR END REPORT		2,000		0		19DEC78	1	79FEC/116/3919
ALCOA EMPLOYEES POLITICAL FUND						ID# C00039172		
CONNECTED ORGANIZATION: ALUMINUM COMPANY OF AMERICA								
1978 10 DAY PRE-GENERAL		1,000		0		5OCT78	1	78FEC/091/4023
YEAR END REPORT		500		0		29NOV78	1	79FEC/117/4491
ALLEGHENY LUDLUM COMMITTEE FOR EFFECTIVE GOVERNMENT						ID# C00040204		
CONNECTED ORGANIZATION: ALLEGHENY LUDLUM INDUSTRIES, INC.								
1978 OCTOBER 10 QUARTERLY		300		0		10JUL78	1	78FEC/089/0560
10 DAY PRE-GENERAL		200		0		23OCT78	1	78FEC/093/2221
ALLIED CHEMICAL POLITICAL ACTION COMMITTEE (ACPAC)						ID# C00096156		
CONNECTED ORGANIZATION: ALLIED CHEMICAL CORPORATION								
1978 10 DAY PRE-GENERAL		250		0		18OCT78	1	78FEC/092/2868
AMAX CONCERNED CITIZENS FUND						ID# C00035592		
CONNECTED ORGANIZATION: AMAX INC								
1978 10 DAY PRE-GENERAL		250		0		12OCT78	1	78FEC/093/1323

PCC C00350500 COMMITTEE TO ELECT RODERICK J. WILSON

850 STANLEY ST. OCEANSIDE CA

SCHEDULE C
REVISED
January, 1978
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

DEBTS AND OBLIGATIONS

Supporting Line Numbers 12 and 13 of FEC FORM 3

(Indicate Primary or General Election for each Entry)

Line Number 12

(Use Separate Schedules for each numbered line)

Name of Candidate and Committee in Full

FRIENDS OF ROGER JEPSEN

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Roger W. Jepsen 2330 Harrison Davenport, Iowa 52803 Primary	4-27-78	$35,000.00	$ None	$35,000.00
Nature of Obligation: Promissory note for cash loaned, note is payable on demand with annual interest rate of 9%.				
Internal Revenue Service Kansas City, Missouri 64999	Various	$ [illegible]	$ None	$ [illegible]
Nature of Obligation: Taxes withheld				
Treasurer, State of Iowa State Office Building Des Moines, Iowa 50319	Various	$ 1(8.51	$ None	$ [illegible]
Nature of Obligation: Taxes Withheld				
SUBTOTALS this period this page (optional)		$	$	$
TOTAL this period (last page this line number only)		$	$	$

7 9 0 1 1 5 2 7

R7A1 - 10 Day Pre-Primary Report

10P

SL/5

FRIENDS OF ROGER JEPSEN

REQUEST FOR ADDITIONAL INFORMATION

PAGE TWO

(Continued from page one)

and city and state in which business is conducted). Self-employed contributors must be identified as such, along with type of work or profession and city where self-employed. Please provide the principal place of business for contributors.

[illegible] report shall disclose [illegible]

MEMORANDUM FOR FILES

RE: TELECON 515 276-3062

FROM: John Henss to Susan Weber

DATE: 8/1/78

NAME OF COMMITTEE: Friends of Roger Jepsen

I returned John Henss' call concerning allegations that he (the committee) had witheld information from the FEC. I had sent him an RFAI for the 10 day pre-primary report which he had answered except for the inquiry about debts. I told him to send in a letter clarifying the debts (he had omitted dates and failed to provide nature of obligation). I told him that if the $35000 loan was in fact from a bank to report the name of the bank and circumstances, etc.

MEMORANDUM: FOR FILES

RE: TELECON 515 276-3062

FROM: Susan Weber to John Henss

DATE: 8/3/78

NAME OF COMMITTEE: Friends of Roger Jepsen

I called John Henss in response to his inquiry concerning the reporting of the $35,000 loan from Roger Jepsen which has caused so much controversy. He had inquired ~~exactly~~ about what had to be reported precisely. I talked to John Tyson and he said that I should only be concerned about the reporting obligations and not try to second guess the circumstances of the loan. I read John Henss a sheet on more detailed explanation of reporting of loans and sent him a copy. He said he would send in another amendment as soon as possible.

4

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

AMENDED (5-23-78)
DEBTS AND OBLIGATIONS

Supporting Line Numbers 12 and 13
of FEC FORM 3

(Indicate Primary or General Election for each Entry)

Line Number 13

(Use Separate Schedules for each numbered line)

Name of Candidate and Committee in Full
FRIENDS OF ROGER JEPSEN

32522
IA REP C992
4/1/78 - 5/22/78

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Roger W. Jepsen 2330 Harrison Davenport, Iowa 52803 X Primary General Other	4-27-78	$35,000.00	$ None	$35,000.00

NATURE OF OBLIGATION (Details of Debt)

Roger W. and Dee A. Jepsen borrowed $35,000.00 from the Security State Trust and Savings Bank, Bettendorf, Iowa on April 26, 1978. The principal of that note is due on demand by the lender. Interest is at the annual rate of 9% payable semi-annually. Roger W. Jepsen loaned $35,000.00 to the Committee on April 27, 1978. That note is payable on demand, annual interest rate is 9%.

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Internal Revenue Service Kansas City, Missouri 64999 X Primary General Other	See Attached List	$1,029.36	$None	$1,029.36

NATURE OF OBLIGATION (Details of Debt)

Taxes Withheld

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Treasurer, State of Iowa State Office Building Des Moines, Iowa 50319 X Primary General Other	See Attached List	$ 108.51	$None	$ 108.51

NATURE OF OBLIGATION (Details of Debt)

Taxes Withheld

SUBTOTALS this period this page (optional)	$	$	$
TOTAL this period (last page this line number only)	$	$	$

Carry outstanding balance only to the appropriate line of summary page

7 9 0 4 0 4 6 5 3 2 3

MEETING WITH SENATOR ROGER JEPSEN 1/4/79 1:30

Senator Roger Jepsen, accompanied by two other gentlemen, came to the FEC for a meeting which had been arranged by Roger Jepsen the previous day with no mention of its purpose. I initially explained to him our general procedures and function and related the document flow to him. He was very astounded at our general purpose- serving the public or public disclosure. He couldn't seem to comprehend the accessibility of our files to the public.

He initially asked a series of general and innocuous questions about limitations, disclaimers, etc. He then proceeded to the matter which was the apparent reason for his visit. He referred to the 10 Day Pre-Primary report and specifically the loan in the amount of $35,000 which he and his wife had received from a bank and he in turn had loaned to the committee. I had sent an RFAI which requested, among other things, more information on the nature of the obligations for the debts on Schedule C.

There had been an article in the Des Moines Register which had alleged that he had not answered the RFAI and in fact was witholding information from the FEC. He then related a telephone conversation with the FEC in which someone at one point replied to a general question that the files "were in order".

He felt that the FEC should issue a written statement declaring that his reports were in order and thus vindicating him of any "charges". Someone at the FEC had informed him that it was against our policy to issue such a written statement. He asked me that question repeatedly, and I replied that it was not our policy to the best of my knowledge and this was corroborated by Sharon Snyder, Gary Greenhalgh, and finally Chairman Aikens. He went on at length about how someone was trying to do him in and he felt that it was up to the FEC to clarify it in writing and verify what someone had told him verbally.

I showed him to the Press Office at his request where he talked to Sharon Snyder and Gary Greenhalgh, who attempted to convey the relative ease with which reporters may distort, or otherwise misinterpret information extracted from microfilm or the documents themselves.

Finally, he was introduced to Chairman Aikens who defended the FEC and said that she sympathized with his situation but reiterated that it is not FEC policy to issue such a written statement. However, she told Senator Jepsen that she would work on such a form to protect candidates in such an instance.

The matter of the loan in question is still not totally resolved, as there is still some ambiguity concerning the loan from the bank and whether his wife has exceeded her limitation by signing the loan. It would appear that more information is needed to clarify the matter.

FEDERAL ELECTION COMMISSION

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

April 16, 1979

John L. Henss, Treasurer
Friends of Roger Jepsen
P. O. Box 1322
Des Moines, Iowa 50305

Dear Mr. Henss:

This letter is prompted by the Commission's interest in assisting candidates and committees who wish to comply with the Federal Election Campaign Act, as amended. During review of the 10 Day Pre-Primary Report of Receipts and Expenditures, we noticed an entry indicating that you may have received a contribution which exceeds the limits set forth in the Act. A copy of that portion of your report is attached so that a review of your records can be made.

The Act precludes individuals from making political contributions to a candidate for Federal election in excess of $1,000 per election.

The Commission recommends that if you find the contribution you received was in excess of the limits set forth in the Act you return the amount in excess of $1,000 to the donor. This return should be reported immediately by letter and should be reflected as a contribution refund on your next report of receipts and expenditures. If you find that the entry in question is incomplete or incorrect, please submit a statement which would clarify this particular matter for the public record. You may do so by amending your original report by letter.

Please notify the Commission within fifteen (15) days from the date of this letter of the determination made on this matter. If you have any questions concerning this matter, please do not hesitate to contact Susan Weber (800)424-9530, our Reports Analyst assigned to you. Our local telephone number is 523-4048.

Sincerely,

Orlando B. Potter

Orlando B. Potter
Staff Director

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RECEIVED
SECRETARY OF THE SENATE
'979 APR 24 AM 10:31

CERTIFIED PUBLIC ACCOUNTANTS
2190 EIGHTY-SECOND STREET
P.O. BOX 1322
DES MOINES, IOWA 50305

RECEIVED
FEDERAL ELECTION
COMMISSION

JOHN L. HENSS, C.P.A., P.C.
STEPHEN K. THIELKING, C.P.A., P.C.

HAND DELIVERED ☐

276-3062
AREA CODE 515

'79 APR 23 PM 1:49

April 20, 1979

Mr. Orlando B. Potter
Staff Director
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: Friends of Roger Jepsen
5 SV 1/79-7

Dear Mr. Potter:

In response to your letter of April 16, 1979, you request information regarding a loan in the amount of $35,000.00 made to the committee.

Chapter 14 Section 431(e)(5)(G) of the Federal Election Campaign Act, as amended, states "When used in this chapter - . . . contribution - . . . does not include - . . . a loan of money by a national or state bank in accordance with the applicable banking laws and regulations and in the ordinary course of business . . ."

Section 140.13 of the Federal Election Commission Regulations states, "(b) Contribution does not include (1) a loan of money by a national or state bank made in accordance with applicable banking laws and regulations and in the ordinary course of business and not endorsed or guaranteed by a person other then the candidate to the extent that the amount so endorsed by the candidate when added to all other expenditures made from his personal funds and those of his immediate family does not exceed $50,000.00."

Since the obligation in question was signed by Roger W. and Dee A. Jepsen, his wife, and was handled in accordance with banking regulations, it is our feeling that it constitutes a debt of the campaign committee and should in no way be construed as a contribution.

Sincerely,

John L. Henss

John L. Henss

vah

cc: Mr. John Maxwell
5327 Dirksen
Washington, D.C. 20510

7

S 2522
IA REP C992

4/1/78 - 5/22/78

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In reply please refer to:

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 8, 1979

John L. Henss, Treasurer
Friends of Roger Jepsen
PO Box 1322
Des Moines, IA 50305

Dear Mr. Henss:

On April 16, 1979, you were notified that certain entries in the 10 Day Pre-Primary Report of Receipts and Expenditures filed by your committee raised problems under 2 U.S.C. 441a.

We received a response from you on April 23, 1979, however, we found your response to be inadequate. Your failure to provide an adequate response gives the Commission reason to believe that you may have committed a violation of 2 U.S.C. 441a.

The Commission will take no action against you until you have had a reasonable opportunity to respond to this letter. This response should be mailed to the Commission within fifteen (15) days from the date of this letter.

If you have responded to the above or you require additional information, please contact Susan Weber, our Reports Analyst assigned to you on our toll free number (800)424-9530. Our local number is (202) 523-4048.

Sincerely,

Commissioner

Certified Mail:
Return Receipt Requested

Ode[illegible], Henss and Thiel[illegible]ing

CERTIFIED PUBLIC ACCOUNTANTS
2100 EIGHTY-SECOND STREET
P.O. BOX 1322
DES MOINES, IOWA 50305

JOHN L. HENSS, C.P.A., P.C.
STEPHEN K. THIELKING, C.P.A., P.C.

278-3062
AREA CODE 515

June 14, 1979

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

Re: Friends of Roger Jepsen
5SV2/79-4

Dear Mr. Friedersdorf:

We have your letter of June 8, 1979 indicating that our response to the Federal Election Commission's request of April 16, 1979 was not adequate.

In the letter dated April 16, 1979 from Orlando B. Potter, Staff Director of the Federal Election Commission, it was stated, "We noticed an entry indicating that you may have received a contribution which exceeds the limits set forth in the act." Attached to that letter was a photocopy of page 1, schedule C from our May 23, 1978 report. On that photocopy the item which the staff indicated as being in question was a loan to the campaign committee in the amount of $35,000.00 which was made on April 27, 1978 and which was explained as "Roger W. and Dee A. Jepsen borrowed $35,000.00 from the Security State Trust and Savings Bank, Bettendorf, Iowa on April 26, 1978. The principal of that note is due on demand by the lendor. Interest is at the annual rate of 9 percent payable semi-annually. Roger W. Jepsen loaned $35,000.00 to the committee on April 27, 1978. That note is payable on demand, annual interest rate is 9 percent."

We did not report nor did we consider that loan as a campaign contribution. Our method of reporting that particular item was based upon Section 431(e)(5)(G) of the Federal Election Campaign Act, as amended, which states, "When used in this chapter - . . . contribution - . . . does not include - . . . a loan of money by a national or state bank in accordance with the applicable banking laws and regulations and in the ordinary course of business, but such loans - (i) shall be reported in accordance with the requirements of Section 434(b); and (ii) shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers of guarantors."

Section 434(b) of the Federal Election Campaign Act, as amended, states, "Each report under this section shall disclose - . . . (12) the amount and nature of debts and obligations owed by or

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to the committee, in such form as the commission may prescribe in the continuous reporting of their debts and obligations after the election at such periods as the commission may require until such debts and obligations are extinguished, together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefore."

Federal Election Commission regulations 110.10 states, "(a) Except as provided in Sub-chapters C and D of this chapter pertaining to presidential candidates, candidates for Federal office may make unlimited expenditures from personal funds. (b) For purposes of this section, personal funds means - (1) any assets to which at any time he or she became a candidate the candidate had legal and rightful title, or with respect to which the candidate had the right of beneficial enjoyment, under applicable state law, and which the candidate had legal right of access to or control over, including funds from immediate family members; . . ."

Enclosed with this letter is a copy of the promissory note payable by Friends of Roger Jepsen to Roger Jepsen. This demonstrates that the intent of both the campaign committee and the candidate was that this amount constitutes a valid debt and was in no way a campaign contribution.

It is a normal procedure for a bank in making a loan to any individual to require that individual's spouse to sign the loan along with the borrower. The funds loaned by Roger Jepsen to Friends of Roger Jepsen were assets under the joint dominion and common conrol of Roger and Dee Jepsen. Accordingly, based upon the law and regulations, particularly those cited above, we feel that we reported the subject transaction properly. We certainly have no intention of violating the Federal Election Campaign Laws but, again based upon those laws and the regulations issued thereunder, we feel that our reporting has been correct.

Thank you for your help on this matter.

Sincerely,

John L. Henss

vah

Enc.

cc: Honorable Roger W. Jepsen
United States Senator from Iowa
5327 Dirksen Senate Office Building
Washington, D.C. 20510

PROMISSORY NOTE

$35,000.00

Des Moines, Iowa
April 27, 1978

For value received, the undersigned promises to pay, on demand, in lawful money of the United States of America to the order of Roger Jepsen, at Davenport, Iowa, the sum of Thirty-five Thousand Dollars ($35,000.00), together with interest at the rate of nine percent (9%) per annum on the unpaid balance until paid.

Any payments shall be credited first to the payment of accrued interest, and the balance of such payment in excess of said interest shall be credited upon the principal of this note, and thereafter interest shall be charged only upon the remaining unpaid part of the principal. Said payments to continue until aggregate amount paid on account of principal shall equal to the amount of the total principal promised herein.

Now, should it become necessary to collect this note through an attorney the debtor hereby agrees to pay all costs of collection, including a reasonable attorney's fee and hereby waives presentment for payment, protest, and notice of protest and nonpayment of this note.

FRIENDS OF ROGER JEPSEN, DEBTOR

By [signature]

RE: TELECON

FROM:

DATE: 25 June 1979

NAME OF COMMITTEE: Friends of Roger Jepson Sen. Iowa

Peter Kell spoke with John Heuss, treasurer of the above captioned committee regarding an inadequate response to a surface violation.

Mr. Heuss, said that he would send in additional information, in the form of a letter, further clarifying the loan situation.

PKJr.

Oden, Henss and Thielking

CERTIFIED PUBLIC ACCOUNTANTS

2180 EIGHTY-SECOND STREET
P.O. BOX 1322
DES MOINES, IOWA 50305

JOHN L. HENSS C.P.A. P.C.
STEPHEN F. THIELKING C.P.A. P.C.

276-3062
AREA CODE 515

June 25, 1979

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

Dear Mr. Friedersdorf:

With reference to our conversation concerning the loan made by Roger Jepsen to Friends of Roger Jepsen this will clarify that the loan was obtained on the basis of known assets, familiar to the bank, under joint the joint dominion and control of Mr. and Mrs. Jepsen.

Sincerely,

John L. Henss

vah

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FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 1042

Date Filmed 6/16/80 Camera No. --- 2

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