



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20543

THIS IS THE END OF MUR # 1727

Date Filmed 5/20/85 Camera No. --- 3

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FEDERAL ELECTION COMMISSION

MUR 1

All routing slips

12 Day Report and Comment Sheets

Requests for Additional Information to be sent by Reports Analysis

Copies of letters (signed off)

Control slips

Original page 7 of General Counsel's Report signed 2/28/85

Documents relating to conciliation

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

- | | |
|--|---|
| ☐ (1) Classified Information | ☐ (6) Personal privacy |
| ☐ (2) Internal rules and practices | ☐ (7) Investigatory files |
| ☒ (3) Exempted by other statute 2 U.S.C. § 437g | ☐ (8) Banking Information |
| ☐ (4) Trade secrets and commercial or financial information | ☐ (9) Well Information (geographic or geophysical) |
| ☒ (5) Internal Documents | |

Signed Marybeth Tarant
date 5/10/85

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1727
Sheetmetal PAC 130)
Roger L. Hudspeth, Sr.,)
as treasurer)
Electro PAC 323)
George L. Hudspeth, Jr.,)
as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 1, 1985, the Commission decided by a vote of 5-1 to take the following actions in MUR 1727:

1. Approve the conciliation agreements submitted with the General Counsel's Report signed April 25, 1985.
2. Close the file.
3. Approve the letter attached to the General Counsel's Report signed April 25, 1985.

Commissioners Elliott, Harris, McDonald, McGarry and Reiche voted affirmatively in this matter; Commissioner Aikens dissented.

Attest:

5-2-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary:
Circulated on 48 hour tally basis:

4-29-85, 9:38
4-29-85, 4:00

85040523717



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 6, 1985

Robert A. Sugarman, Esquire
Kaplan, Sicking, Hessen, Sugarman,
Rosenthal, Susskind, Bloom and DeCastro
1136 S.E. Third Avenue
Fort Lauderdale, Florida 33316

RE: MUR 1727
Sheetmetal PAC 130
Roger L. Hudspeth, Sr., as
treasurer
Electro PAC 323
George L. Hudspeth, Jr., as
treasurer
Ray Advertising

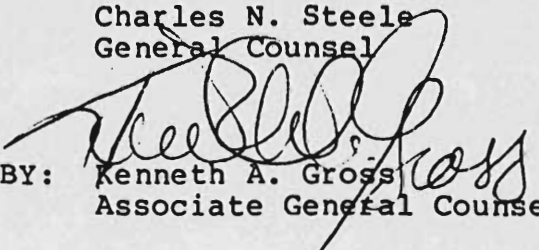
Dear Mr. Sugarman:

On May 1, 1985, the Commission accepted the conciliation agreements signed by the treasurers of Sheetmetal PAC 130 and Electro PAC 323 and civil penalties in settlement of violations of 2 U.S.C. § 441a, a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondents and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find fully executed copies of the final conciliation agreements for your files.

Sincerely,

Charles N. Steele
General Counsel

BY: 
Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreements

85040523718

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Electro PAC 323)
George L. Hudspeth, Jr.) MUR 1727
as treasurer)
)
)
)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Electro PAC 323 and George L. Hudspeth, Jr., as treasurer, ("Respondents") violated 2 U.S.C. § 441a(a)(1)(C) by making an excessive contribution.

NOW, THEREFORE, the Commission and Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent, Electro PAC 323, is a political committee pursuant to 2 U.S.C. § 431(4)(B).

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2. Respondent, George L. Hudspeth, Jr., is the treasurer of Electro PAC 323.

3. Sometime in 1982, Sheetmetal PAC 130 requested a loan of \$13,000 from Electro PAC 323.

4. As Ray Advertising owed Electro PAC 323 \$13,000 in refunds for prepurchased unused advertising, Mr. Hudspeth instructed Ray Advertising to refund the money to Sheetmetal PAC 130 instead of returning it to Electro PAC 323.

5. On August 23, 1982, Ray Advertising made a payment of \$13,000 to Sheetmetal PAC 130.

6. On January 19, 1984, Sheetmetal PAC 130 repaid Ray Advertising \$13,000. Ray Advertising, in turn, paid the \$13,000 to Electro PAC 323.

V. Pursuant to 2 U.S.C. § 441a(a)(1)(C), a person is prohibited from making contributions to a political committee, other than an authorized committee or a national political party committee, in any calendar year which, in the aggregate, exceed \$5,000.

Pursuant to 2 U.S.C. § 431(8)(A)(i), the term "contribution" includes any loan, advance, or deposit of money made by any person for the purpose of influencing any election for federal office.

Under 2 U.S.C. § 431(11), the term "person" includes a committee.

VI. Respondents made an excessive contribution to Sheetmetal PAC 130 in violation of 2 U.S.C. § 441a(a)(1)(C).

VII. Respondents will pay a civil penalty to the Treasurer of the United States in the amount of one thousand dollars, (\$1,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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VIII. Respondents agree that they shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

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

X. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

XI. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

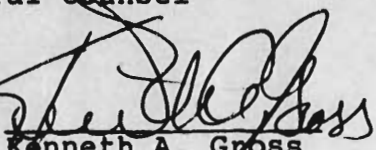
XII. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral,

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made by either party or by agents of either party, that is not contained in this written agreement shall be valid.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: 
Kenneth A. Gross
Associate General Counsel

May 6, 1985
Date

FOR THE RESPONDENTS:

George F. Hudspeth, Jr.
(Name)
(Position)

4-8-85
Date

85040523722

MEMORANDUM

TO: CHERYL THOMAS

TO: JOAN HARRIS

FROM: JOAN HARRIS

FROM: CHERYL THOMAS

CHECK NO. 0747 (a copy of which is attached) RELATING
TO MUR 1727 AND NAME Electno PAC 323
George L. Hudspeth, Jr.

WAS RECEIVED ON 4/17/85. PLEASE INDICATE THE ACCOUNT INTO
WHICH IT SHOULD BE DEPOSITED:

☒ BUDGET CLEARING ACCOUNT (#95F3875.16)

☐ / ☐ CIVIL PENALTIES ACCOUNT (#95-1099.160)

☐ / ☐ OTHER _____

SIGNATURE

Chommas

DATE

4/18/85

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85040523724



ELECTRO PAC-323
927 BELVEDERE ROAD
WEST PALM BEACH, FLORIDA 33405

DATE	INVOICE	AMOUNT

83-490 627
670
0747

PAY

TIME WKD	DATE	TO THE ORDER OF	GROSS AMOUNT	NET AMOUNT
	4/04/85	TREASURER OF THE UNITED STATES		1,000 00

SUN BANK/PALM BEACH COUNTY, N.A.
WEST PALM BEACH, FLORIDA

NOT GOOD AFTER 90 DAYS

Robert J. Clough
James R. Hays

⑈000747⑈ ⑆067004900⑆ 6270163082⑈

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheetmetal PAC 130)
Roger L. Hudspeth, Sr.) MUR 1727
as treasurer)
)
)
)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, ("Respondents") violated 2 U.S.C. § 441a(f) by accepting an excessive contribution.

NOW, THEREFORE, the Commission and Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent, Sheetmetal PAC 130, is a political committee pursuant to 2 U.S.C. § 431(4)(B).

85040523725

2. Respondent, Roger L. Hudspeth, Sr., is the treasurer of Sheetmetal PAC 130.

3. Sometime in 1982, Sheetmetal PAC 130 requested a loan of \$13,000 from Electro PAC 323.

4. As Ray Advertising owed Electro PAC 323 \$13,000 in refunds for prepurchased unused advertising, the treasurer of Electro PAC 323 instructed Ray Advertising to refund the money to Sheetmetal PAC 130 instead of returning it to Electro PAC 323.

5. On August 23, 1982, Ray Advertising made a payment of \$13,000 to Sheetmetal PAC 130.

6. On January 19, 1984, Sheetmetal PAC 130 repaid Ray Advertising \$13,000. Ray Advertising, in turn, paid the \$13,000 to Electro PAC 323.

V. Pursuant to 2 U.S.C. § 441a(a)(1)(C), a person is prohibited from making contributions to a political committee, other than an authorized committee or a national political party committee, in any calendar year which, in the aggregate, exceed \$5,000.

Pursuant to 2 U.S.C. § 431(8)(A)(i), the term "contribution" includes any loan, advance, or deposit of money made by any person for the purpose of influencing any election for federal office.

Under 2 U.S.C. § 431(11), the term "person" includes a committee.

Pursuant to 2 U.S.C. § 441a(f), a political committee is prohibited from knowingly accepting a contribution in violation of the limitations set forth in section 441a.

VI. Respondents accepted an excessive contribution from Electro PAC 323 in violation of 2 U.S.C. § 441a(f).

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VII. Respondents will pay a civil penalty to the Treasurer of the United States in the amount of one thousand dollars (\$1,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VIII. Respondents agree that they shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

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

X. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

XI. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XII. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

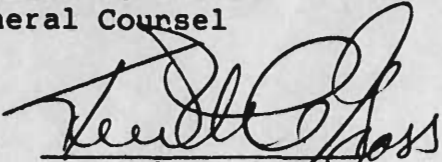
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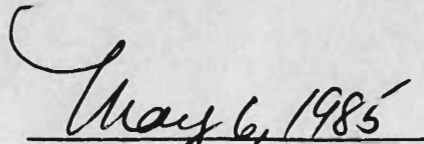
oral, made by either party or by agents of either party, that is not contained in this written agreement shall be valid.

FOR THE COMMISSION:

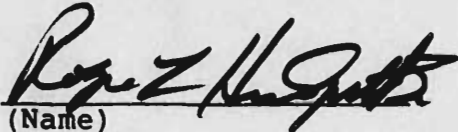
Charles N. Steele
General Counsel

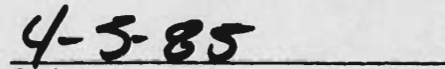
BY:


Kenneth A. Gross
Associate General Counsel


Date

FOR THE RESPONDENTS:


(Name)
(Position)


Date

3 5 0 4 0 5 2 3 7 2 8

8 5 0 4 0 5 2 3 7 2 9

SHEET METAL PAC 130
P. O. BOX 2465
WEST PALM BEACH, FL 33402

1148

4-5-1985

PAY TO THE ORDER OF Federal Election Commission

One thousand and no/100

\$1,000.00

DOLLARS



FLAGSHIP BANK
OF WEST PALM BEACH
West Palm Beach, Florida 33402

INTEREST/CHECKING

Roger L. Thomas
Curtis L. Way

FOR Penalty

⑈00001148⑈.⑈067006270⑈ 627 2405253⑈

MEMORANDUM

sent to Cheryl
4/9/85

TO:

CHERYL THOMAS - OGC

JOAN HARRIS

FROM:

JOAN HARRIS

FROM:

CHERYL THOMAS

CHECK NO. 1148

(a copy of which is attached) RELATING

TO MUR 1727

AND NAME

Sheet Metal PAC 130
Roger L. Nudyspeck, Jr.

WAS RECEIVED ON April 10, 1985

PLEASE INDICATE THE ACCOUNT INTO

WHICH IT SHOULD BE DEPOSITED:

✓ BUDGET CLEARING ACCOUNT (#95F3875.16)

/ CIVIL PENALTIES ACCOUNT (#95-1099.160)

/ OTHER

SIGNATURE

Cheryl R. Thomas

DATE

4/10/85

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheetmetal PAC 130)
Roger L. Hudspeth, Sr.,) MUR 1727
as treasurer)
Ray Advertising)
Electro PAC 323)
George L. Hudspeth, Jr.,)
as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of March 12,
1985, do hereby certify that the Commission decided by a
vote of 4-2 to take the following actions in MUR 1727:

1. Take no further action against Ray
Advertising and close the file as it
pertains to this Respondent.
2. Take no further action against Sheetmetal
PAC 130 and Roger L. Hudspeth, Sr., as
treasurer, with regard to a violation of
2 U.S.C. § 441b(a).
3. Enter into pre-probable cause conciliation
with Sheetmetal PAC 130 and Roger L.
Hudspeth, Sr., as treasurer, and Electro
PAC 323 and George L. Hudspeth, Jr., as
treasurer.

(continued)

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Federal Elelction Commission
Certification for MUR 1727
March 12, 1985

Page 2

4. Approve the conciliation agreements attached to the General Counsel's report dated February 28, 1985.
5. Approve the letter attached to the General Counsel's report dated February 28, 1985.

Commissioners Harris, McDonald, McGarry, and Reiche
voted affirmatively for the decision; Commissioners
Aikens and Elliott dissented.

Attest:

3-12-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL
FROM: MARJORIE W. EMMONS/ JODY C. RANSOM *JCR*
DATE: MARCH 5, 1985
SUBJECT: OBJECTION - MUR 1727 General Counsel's
Report signed February 28, 1985

The above-named document was circulated to the
Commission on Friday, March 1, 1985 at 2:00.

Objections have been received from the Commissioners
as indicated by the name(s) checked:

Commissioner Aikens	<u>X</u>
Commissioner Elliott	<u> </u>
Commissioner Harris	<u> </u>
Commissioner McDonald	<u> </u>
Commissioner McGarry	<u> </u>
Commissioner Reiche	<u> </u>

This matter will be placed on the Executive Session
agenda for Tuesday, March 12, 1985.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *Cut*
DATE: March 1, 1985
SUBJECT: MUR 1727 - General Counsel's Report

The attached is submitted as an Agenda document
for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS

48 Hour Tally Vote [X]
Sensitive [X]
Non-Sensitive []

24 Hour No Objection []
Sensitive []
Non-Sensitive []

Information []
Sensitive []
Non-Sensitive []

Other []

DISTRIBUTION

Compliance [X]
Audit Matters []

Litigation []
Closed MUR Letters []

Status Sheets []
Advisory Opinions []

Other (see distribution below) []

337325408

MISSION - THE FEC
COMM. SECRETARY

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MUR 1727

SENSITIVE

On December 28, 1984, counsel for the Respondents responded by stating that the necessary information was being assembled and

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that answers to our questions would be forthcoming. As no response was received, the Commission, on January 8, 1985, authorized the Office of the General Counsel to institute a civil action, pursuant to 2 U.S.C. § 437d(b), seeking enforcement of the subpoenas/orders. On January 28, 1985, counsel filed responses to the subpoenas/orders. See Attachments 2 and 4. On February 6, 1985, this Office spoke with counsel by telephone and counsel indicated his clients were interested in pre-probable cause conciliation. On February 11, 1985, a written request for pre-probable cause conciliation was received from counsel. See Attachment 5.

II. FACTUAL AND LEGAL ANALYSIS

This matter concerns a \$13,000 payment which Sheetmetal PAC 130 received on August 23, 1982, from Ray Advertising, an incorporated entity. In November 1983, a Request for Additional Information was sent by RAD questioning the appearance of a \$13,000 corporate contribution on Sheetmetal PAC 130's report. Although a response was received stating that the contribution would be refunded, counsel for Sheetmetal PAC 130 told a RAD analyst over the phone that the money was not a contribution but rather a refund for prepaid unused advertising. Counsel stated that several unions had financed advertising on behalf of federal and state candidates through Ray Advertising but that the funds were not used. When questioned by the RAD analyst in subsequent conversations regarding these statements, counsel refused to elaborate and simply indicated that the money was refunded on January 19, 1984. As Sheetmetal PAC had not made any payments to

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Ray Advertising previously, questions arose concerning the \$13,000 and what sort of advertising was involved.

Responses to our first set of questions indicated that, at the direction of George L. Hudspeth, Jr., treasurer of Electro PAC 323, a registered political committee, Ray Advertising was instructed to refund the \$13,000 to Sheetmetal PAC 130 instead of Electro PAC 323 which had originally paid for the advertising. When Sheetmetal PAC 130 later refunded the money to Ray Advertising, Ray Advertising immediately refunded the money to Electro PAC 323. Sheetmetal PAC 130 did not participate in the securing of any advertising, and there was no explanation as to why Electro PAC instructed Ray Advertising to refund \$13,000 to Sheetmetal PAC 130.

According to the answers to our second set of questions (see Attachments 1-4), Electro PAC 323 paid Ray Advertising \$60,000 in April 1982 for the purchase of radio and television advertising time. As the advertising was not used and had been prepurchased, Ray Advertising made periodic refunds to Electro PAC 323 as it received the money back from the radio and television stations. At some point in time, Roger L. Hudspeth, Jr., treasurer of Sheetmetal PAC 130, approached George L. Hudspeth, Jr., treasurer of Electro PAC 323, requesting a \$13,000 loan from Electro PAC 323 to Sheetmetal PAC 130. According to Roger L. Hudspeth, Sr., Sheetmetal PAC 130 was short of funds and money was needed for state and local candidate contributions and operating expenses. As Ray Advertising still owed \$13,000 to Electro PAC 323,

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Electro PAC 323 instructed Ray Advertising to refund the \$13,000 to Sheetmetal PAC 130. On August 23, 1982, Ray Advertising paid Sheetmetal PAC 130 \$13,000.

According to George L. Hudspeth, Jr., by having the money come from Ray Advertising, this avoided an additional step of having to write a check out to Sheetmetal PAC 130. George Hudspeth further stated that the transaction was intended as a loan from Electro PAC 323 to Sheetmetal PAC 130 but was not reported as such on Electro PAC 323's reports because he was not aware of any way to report a loan on the FEC forms. (Sheetmetal PAC 130 reported the money as a \$13,000 contribution from Ray Advertising. Roger L. Hudspeth, Sr., stated that he did not know how to report a loan either.) There was no interest on the loan and repayments were due when Sheetmetal PAC 130 had funds.^{1/} There was also no written agreement regarding this loan. On January 19, 1984, Sheetmetal PAC 130 paid Ray Advertising \$13,000. Ray Advertising, in turn, paid Electro PAC 323 \$13,000. (According to Roger Hudspeth, the money was repaid through Ray Advertising because the issue of a corporate contribution had been raised.) In addition, according to both treasurers, Sheetmetal PAC 130 was not involved in the securing of any

^{1/} Although Sheetmetal PAC 130 paid \$5,000 to Electro PAC 323 on August 23,, 1982, both treasurers stated that this payment was not a partial loan repayment. It was stated that the money was possibly a refund of excess contributions made by Electro PAC 323, however, this statement was not clarified.

advertising through Ray Advertising in 1982 and there is no relationship between the two committees.2/

Pursuant to 2 U.S.C. § 441a(a)(1)(C), a person is prohibited from making contributions to a political committee, other than an authorized committee or a national political party committee, in any calendar year which, in the aggregate, exceed \$5,000.

Pursuant to 2 U.S.C. § 431(8)(A)(i), the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. Under 2 U.S.C. § 431(11), the term "person" includes a committee. Although counsel claimed, in an earlier response, that the \$13,000 covered Sheetmetal PAC 130's non-federal contributions and operating expenditures, the committee did support federal candidates and did make contributions to other political action committees in 1982. Pursuant to 11 C.F.R. § 102.5(a), organizations which finance political activity in connection with both federal and non-federal elections and which qualify as a political committee shall either establish a separate federal account or establish a political committee which shall receive only contributions subject to the prohibitions and limitations of the Act, regardless of whether such contributions are for use in connection with federal or non-federal elections. As Sheetmetal PAC 130 did not establish a separate federal account, it is

2/ Sheetmetal PAC 130 and Electro PAC 323 are not affiliated committees for purposes of the Act.

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required to accept only those contributions permitted by the Act. Pursuant to 2 U.S.C. § 441a(f), a political committee is prohibited from knowingly accepting a contribution in violation of the limitations set forth in section 441a.

Respondents' characterization of the transaction as a loan from Electro PAC to Sheetmetal PAC does not alter the fact that an excessive contribution was made and accepted. Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(A), a loan which exceeds the contribution limitations of 2 U.S.C. § 441a shall be unlawful whether or not it is repaid. Under 2 U.S.C. § 431(8)(A) and 11 C.F.R. § 100.7(a)(1)(i)(B), a loan is a contribution at the time it is made and is a contribution to the extent that it remains unpaid.

In light of the facts of this matter, the Office of the General Counsel recommends that the Commission take no further action against Ray Advertising and Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, in connection with the making and receipt of a corporate contribution in violation of 2 U.S.C. § 441b(a). This recommendation is based on the fact that the \$13,000 was owed to Electro PAC 323 and was given by Ray Advertising only because of instructions from Electro PAC 323. Based on counsel's request, however, this Office recommends that the Commission enter into pre-probable cause conciliation with Electro PAC 323 and George L. Hudspeth, Jr., as treasurer, and Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, regarding violations of 2 U.S.C. § 441a.

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III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

IV. RECOMMENDATIONS

1. Take no further action against Ray Advertising and close the file as it pertains to this Respondent.
2. Take no further action against Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, with regard to a violation of 2 U.S.C. § 441b(a).
3. Enter into pre-probable cause conciliation with Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, and Electro PAC 323 and George L. Hudspeth, Jr., as treasurer.
4. Approve the attached conciliation agreements.
5. Approve the attached letter.

Charles N. Steele
General Counsel

Date

February 28, 1985

By:

Kenneth A. Gross
Associate General Counsel

85040523740

Attachments

1. Questions to Sheetmetal PAC 130
2. Answers from Sheetmetal PAC 130
3. Questions to Electro PAC 323
4. Answers from Electro PAC 323
5. Request for pre-probable cause conciliation
6. Proposed conciliation agreements (2)
7. Proposed letter

85040523741

QUESTIONS PURSUANT TO ORDER
REQUEST FOR THE PRODUCTION OF DOCUMENTS

TO: Roger L. Hudspeth, Sr., Treasurer
Sheetmetal PAC 130

RE: Matter Under Review 1727

On August 23, 1982, Sheetmetal PAC 130 received \$13,000 from Ray Advertising. This receipt was first characterized as a contribution and is now being characterized as a loan from Electro PAC 323. According to Robert Ray, President of Ray Advertising, he was told by George L. Hudspeth, Jr., Treasurer of Electro PAC 323, to give the \$13,000 to Sheetmetal PAC 130. The money allegedly represented a refund for prepaid but unused television advertising originally paid for by Electro PAC 323. On August 23, 1982, Sheetmetal PAC 130 contributed \$5,000 to Electro PAC 323. On January 19, 1984, Sheetmetal PAC 130 repaid Ray Advertising \$13,000. Subsequently, Ray Advertising refunded \$13,000 to Electro PAC 323. Based on the above facts, please answer the following questions:

1. Please explain your understanding of why Ray Advertising was instructed to give \$13,000 to Sheetmetal PAC 130 instead of Electro PAC 323.
2. State whether you were aware at the time of the transaction that the money was owed to Electro PAC 323 by Ray Advertising.
3. State whether you consider the \$13,000 as a contribution from Electro PAC 323.
 - a) If so, please explain why it was not reported as such.
 - b) If so, please explain why the contribution was made through Ray Advertising.
 - c) If not, why not?
4. State whether it was your understanding at the time of the transaction that the \$13,000 represented a loan to Sheetmetal PAC 130 from Electro PAC 323.
 - a) If so, please explain why this transaction was not reported as such.

Attachment 1 (1)

85040523742

b) If so, please explain why Electro PAC 323 did not give your committee the money directly instead of having it come from Ray Advertising.

c) If so, please describe the terms of the loan.

d) If so, please explain why the loan was not repaid until January 1984.

e) If so, please explain why the repayment was made to Ray Advertising and not to Electro PAC 323 directly.

f) If not, why not?

g) If not, state your understanding of the purpose for which Electro PAC 323 gave the \$13,000 to your committee.

5. You have stated that Sheetmetal PAC 130 did not participate in the securing of advertising on behalf of federal candidates through Ray Advertising for the 1982 election campaign. State whether Sheetmetal PAC 130 and Electro PAC 323 together participated in the securing of any advertising in 1982 through Ray Advertising which was not used.

6. State whether you or any representative of Sheetmetal PAC 130 asked Electro PAC 323 for the \$13,000 prior to the committee receiving it.

If so, please state for what purpose the money was needed.

7. State whether Sheet Metal PAC 130 asked Ray Advertising for the \$13,000 prior to receiving it.

If so, please state for what stated purpose the money was needed.

8. State the purpose for which the \$13,000 from Ray Advertising was used.
9. Please describe any conversations you had with any representative of Ray Advertising regarding the \$13,000 prior to the committee receiving it.
10. State whether you knew at the time Sheetmetal PAC 130 repaid \$13,000 to Ray Advertising that Ray Advertising would in turn refund the money to Electro PAC 323, and state how you knew.
11. Please explain why, on the same date Sheetmetal PAC 130 received \$13,000 from Ray Advertising, a \$5,000 contribution was made by Sheet Metal PAC 130 to Electro PAC 323.
12. State whether the \$5,000 was a partial loan repayment.
If so, please explain why it was not reported as such.
13. Please describe Sheet Metal PAC 130's relationship to Electro PAC 323.
14. Please describe your relationship to Electro PAC 323.
15. Please provide copies of all loan agreements between Sheetmetal PAC 130 and Electro PAC 323 entered into during 1982.
16. Please provide copies of all agreements and/or contracts between Ray Advertising and Sheetmetal PAC 130, entered into during 1982.

LAW OFFICES
KAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL
SUSSKIND, BLOOM & DE CASTRO

STEVEN BLOOM
Labor Law

ALFREDO F. DE CASTRO
General Practice

BRETT K. FINDLER

NEAL L. GANON

ARNOLD D. HESSEN
Personal Injury and Wrongful Death
Family Law

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Labor Law

RICHARD VESPUCCI
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PROFESSIONAL ASSOCIATION

1951 NORTHWEST 17th AVENUE

P.O. DRAWER 820337

MIAMI, FLORIDA 33152

(305) 328-1661



85 JAN 28 P 2: 2

WEST PALM BEACH OFFICE

SUITE 200 - FORUM III

1675 PALM BEACH LAKES BLVD.

WEST PALM BEACH, FLORIDA 33401

(305) 683-9400

FORT LAUDERDALE OFFICE

1136 S.E. 3rd AVENUE

FORT LAUDERDALE, FLORIDA 33316

(305) 467-1386

REPLY TO: Ft. Lauderdale

24 January 1985

mur 1727
Tarrant

Marybeth Tarrant
General Counsel's Office
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1727

Dear Ms. Tarrant:

This firm represents Sheetmetal PAC 130, Roger L. Hudspeth, Sr., its Treasurer, Electro PAC 323, and George L. Hudspeth, Jr., its Treasurer.

Enclosed are the sworn answers of our clients Roger L. Hudspeth, Sr. and George L. Hudspeth, Jr. to the questions propounded by the Commission which were the subject of the Commission's Order of October 30, 1984.

We apologize for the length of time it took to submit these answers to the Commission. You can expect our prompt cooperation in the future.

Yours truly,

Robert A. Sugarman
Robert A. Sugarman

RAS/meb
Enclosures

cc: George L. Hudspeth, Jr.
Roger L. Hudspeth, Sr.

Attachment 2

(4)

85040523745

12:12

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheetmetal PAC 130) MUR 1727
Roger L. Hudspeth, Sr., Treasurer)

Pursuant to the Orders of Submit Written Answers dated October 30, 1984, Roger L. Hudspeth, Sr., as Treasurer of Sheetmetal PAC 130, responds to the questions as follows:

1. Because Electro PAC 323 was loaning \$13,000.00 to Sheetmetal PAC 130.
2. Yes.
3. No.
 - c) It was a loan.
4. Yes
 - a) I did not know how to fill out forms to show a loan.
 - b) I don't know.
 - c) Repayment, without interest, was due when Sheetmetal PAC had enough money in its account.
 - d) Sheetmetal PAC 130 had available funds to repay the loan in January, 1984.
 - e) Because I had erroneously shown the \$13,000.00 loan as a contribution from Ray Advertising, I sent the money back to Ray Advertising because the FEC raised the question of a corporate contribution.
5. No.
6. Yes. I needed the money for state and local candidate contributions and operating expenses.
7. No.

85040523746

8. See answer to #6.

9. None.

10. Yes. I told Ray Advertising to refund the money to Electro PAC 323.

11. I think Sheetmetal PAC was refunding excess contributions made in error by Electro PAC 323.

12. No.

13. None.

14. None.

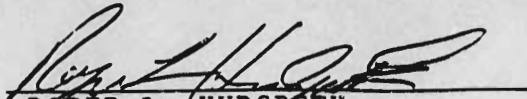
15. None - verbal agreement only.

16. None.

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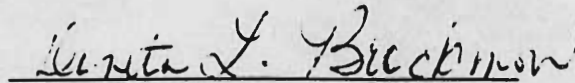
STATE OF FLORIDA
COUNTY OF PALM BEACH

COMES NOW ROGER L. HUDSPETH, Treasurer of
Sheetmetal PAC 323, who after being duly sworn states that
he has read the answers to the foregoing sixteen (16) questions
and they are true and correct to the best of his knowledge.



ROGER L. HUDSPETH

Sworn to and subscribed before me this 17th day
of January, 1985.



NOTARY PUBLIC
MY COMMISSION EXPIRES:

Notary Public, State of Florida
My Commission Expires March 15, 1985
Subscribed and sworn to before me this 17th day of January, 1985

85040523748

QUESTIONS PURSUANT TO ORDER
REQUEST FOR THE PRODUCTION OF DOCUMENTS

TO: George L. Hudspeth, Jr., Treasurer
Electro PAC 323

RE: Matter Under Review 1727

On August 23, 1982, Sheetmetal PAC 130 received \$13,000 from Ray Advertising. This receipt was first characterized as a contribution and is now being characterized as a loan from Electro PAC 323. According to Robert Ray, President of Ray Advertising, he was told by George L. Hudspeth, Jr., Treasurer of Electro PAC 323, to give the \$13,000 to Sheetmetal PAC 130. The money allegedly represented a refund for prepaid but unused television advertising expenditures originally paid for by Electro PAC 323. On August 23, 1982, Sheetmetal PAC 130 contributed \$5,000 to Electro PAC 323. On January 19, 1984, Sheetmetal PAC 130 repaid Ray Advertising \$13,000. Subsequently, Ray Advertising refunded \$13,000 to Electro PAC 323. Based on the above facts, please answer the following questions:

1. State why you instructed Ray Advertising to give \$13,000 to Sheetmetal PAC 130.
2. State whether you intended the transaction to be considered a contribution from Electro PAC 323 to Sheetmetal PAC 130.
 - a) If so, please explain why it was not reported as such.
 - b) If so, please explain why Electro PAC 323 did not give the money directly to Sheetmetal PAC 130 instead of going through Ray Advertising.
3. State whether you intended the transaction to be considered as a loan from Electro PAC 323 to Sheetmetal PAC 130:
 - a) If so, please explain why it was not reported as such.
 - b) If so, please explain why Electro PAC 323 did not give the money directly to Sheetmetal PAC 130 instead of going through Ray Advertising.

- c) If so, state the purpose for which the money was loaned.
- d) If so, please describe the terms of the loan.
- e) If so, please explain why the loan was not repaid nor any payments made until January 1984.
- f) If so, state why the repayment was made to Ray Advertising.
- g) If not, state the purpose for which the money was given to Sheetmetal PAC 130.

On April 2, 1982, Electro PAC 323 paid Ray Advertising \$60,000 for the purchase of radio and TV time. With regard to this transaction, please answer questions 4 through 9.

4. State whether this payment in any way involved Sheetmetal PAC 130.

If so, please explain.

5. State whether the \$13,000 given to Sheetmetal PAC 130 represented a partial refund of this \$60,000.

If not, please state when the original payment was made and for how much.

6. State whether the \$38,890 refund received by Electro PAC 323 from Ray Advertising on August 18, 1982, represented a partial refund of this \$60,000 payment.

7. State whether the \$7,000 refund received by Electro PAC 323 from Ray Advertising on August 23, 1982, represented a partial refund of this \$60,000 payment.

8. If your answers to questions 5, 6 & 7 are yes, please explain what happened to the remaining \$1,110 leftover from the original \$60,000 payment.

9. If your answers to questions 5, 6 & 7 are yes, please explain why the refunds were made in such increments.

10. State whether you and/or any representative of Electro PAC 323 was approached by any representative of Sheetmetal PAC 130 for a contribution and/or loan prior to the \$13,000 payment to Sheetmetal PAC from Ray Advertising.

a) If so, please state the name of Sheetmetal PAC 130's representative and the date the contact was made.

b) If so, state the amount that was asked for.

c) If so, state the stated purpose for which the money was needed?

d) If not, state the reason the \$13,000 was given to Sheetmetal PAC 130.

11. On August 23, 1982, Electro PAC 323 paid Ray Advertising \$12,955.44 for a newspaper ad. State why Ray Advertising was instructed to refund \$13,000 to Sheetmetal PAC 130 when the money could have been used as payment for the ad.

12. State why Sheetmetal PAC 130 contributed \$5,000 to Electro PAC 323 on the same date it received the \$13,000 from Electro PAC 323 through Ray Advertising.

13. State whether the \$5,000 was considered a partial loan repayment.

85040523751

a) If so, please explain why it was not reported as such.

b) If not, state the purpose of the \$5,000.

14. State whether Sheetmetal PAC 130 and Electro PAC 323 together participated in the securing of advertising in 1982 through Ray Advertising, which was not used.

If so, provide the details of such transactions.

15. Please provide copies of all loan agreements between Sheetmetal PAC 130 and Electro PAC 323 entered into during 1982.

16. Please provide copies of all advertising agreements and/or contracts between Ray Advertising and Sheetmetal PAC 130 entered into during 1982.

85040523752

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Electro PAC 323) MUR 1727
George L. Hudspeth, Jr., Treasurer)

Pursuant to the Orders to Submit Written Answers dated October 30, 1984, George L. Hudspeth, Jr., as Treasurer of Electro PAC 323, responds to the questions as follows:

1. To avoid having to write an additional check for the \$13,000.00 Electro PAC was going to loan to Sheetmetal PAC, I just told Ray Advertising to pay Electro PAC's \$13,000.00 refund to Sheetmetal PAC 130.
2. No, I did not intend it to be a contribution.
3. Yes.
 - a) I was not aware of any way to report a loan on FEC forms.
 - b) See answer to #1, above.
 - c) Sheetmetal PAC was short of funds so Electro PAC loaned it money.
 - d) No interest, repayments due when Sheetmetal PAC had available funds.
 - e) As far as I know, Sheetmetal PAC did not have any available funds until then.
 - f) I don't know.
4. No.
5. Yes.
6. Yes.
7. Yes.
8. Commission payment for ad agency's time spent on prepurchased air time.

Attachment 4

85040523753

9. We received the money back from Ray Advertising as it received money back from radio and television stations who had been paid for prepurchased advertising.

10. Yes.

a) Roger Hudspeth. I do not recall the date.

b) \$13,000.00.

c) Because Sheetmetal PAC 130 was short of funds.

11. Not applicable.

12. I don't know.

13. No.

14. No.

15. No written agreement - verbal only.

16. I don't have any.

85040523754

STATE OF FLORIDA
COUNTY OF PALM BEACH

COMES NOW GEORGE HUDSPETH, JR., Treasurer
of Electro PAC 323, who after being duly sworn states
that he has read the answers to the foregoing sixteen
(16) questions and they are true and correct to the
best of his knowledge.

George S. Hudspeth, Jr.
GEORGE HUDSPETH, JR.

Sworn to and subscribed before me this 17th day
of January, 1985.

Denton L. Robinson
NOTARY PUBLIC
MY COMMISSION EXPIRES:

Notary Public, State of Florida
My Commission Expires March 15, 1985
Bonded Thru Troy Fair - Insurance, Inc.

RECEIVED AT THE FED

85 FEB 11 11:20

LAW OFFICES

KAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL
SUSSKIND, BLOOM & DE CASTRO

STEVEN BLOOM
Labor Law
ALFREDO F. DE CASTRO
General Practice
NEAL L. GANON
PATRICK O. HELM
General Practice
ARNOLD D. HESSEN
Personal Injury and Wrongful Death
Family Law
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Administrative and Governmental Law
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WEST PALM BEACH OFFICE
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1675 PALM BEACH LAKES BOULEVARD
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FORT LAUDERDALE OFFICE
1128 S.E. 3rd AVENUE
FORT LAUDERDALE, FLORIDA 33316
(305) 467-1386

February 8, 1985

REPLY TO:
Fort Lauderdale

85040523756

Marybeth Tarrant
General Counsel's Office
Federal Election Commission
Washington, D.C. 20463

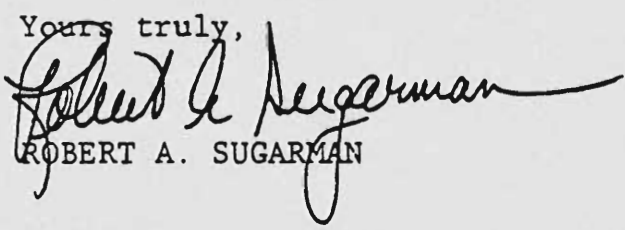
Re: MUR 1727

Dear Ms. Tarrant:

This firm represents all the respondents in the MUR 1727.

As previously indicated to you by letter and by telephone,
all respondents request pre-probable cause conciliation of this
matter.

We look forward to receiving proposals for the conciliation
and settlement of this matter from the General Counsel.

Yours truly,

ROBERT A. SUGARMAN

RAS:jh

cc: George Hudspeth
Roger L. Hudspeth, Sr.
Robert Ray

APC # 6647
RECEIVED AT THE FEC

85 FEB 11 P 1:20

LAW OFFICES

KAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL
SUSSKIND, BLOOM & DE CASTRO

PROFESSIONAL ASSOCIATION
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(305) 663-8400

FORT LAUDERDALE OFFICE
1139 S.E. 2nd AVENUE
FORT LAUDERDALE, FLORIDA 33316
(305) 467-1386

February 8, 1985

REPLY TO:
Fort Lauderdale

STEVEN BLOOM
Labor Law
ALFREDO F. DE CASTRO
General Practice
NEAL L. GANON
PATRICK O. HELM
General Practice
ARNOLD D. HESSEN
Personal Injury and Wrongful Death
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General Practice
ROBERT A. SUGARMAN
Labor Law
HOWARD S. SUSSKIND
Labor Law

Marybeth Tarrant
General Counsel's Office
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1727

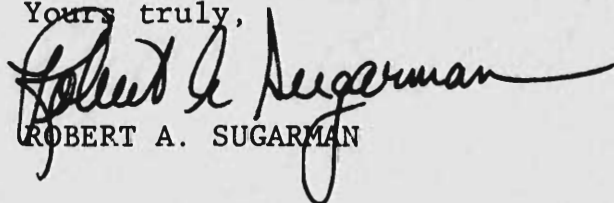
Dear Ms. Tarrant:

This firm represents all the respondents in the MUR 1727.

As previously indicated to you by letter and by telephone,
all respondents request pre-probable cause conciliation of this
matter.

We look forward to receiving proposals for the conciliation
and settlement of this matter from the General Counsel.

Yours truly,


ROBERT A. SUGARMAN

RAS:jh

cc: George Hudspeth
Roger L. Hudspeth, Sr.
Robert Ray

85040523757

KAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL

SUSSKIND, BLOOM & DE CASTRO, P.A.

1136 S.E. THIRD AVENUE

FT. LAUDERDALE, FLORIDA 33316



Vietnam Veterans Memorial

Marybeth Tarrant
General Counsel's Office
Federal Election Commission
Washington, D.C. 20463



5040523758



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *CD*
DATE: February 8, 1985
SUBJECT: MUR 1727 - Memorandum to The Commission

The attached is submitted as an Agenda document
for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS

48 Hour Tally Vote []
Sensitive []
Non-Sensitive []

24 Hour No Objection []
Sensitive []
Non-Sensitive []

Information [X]
Sensitive [X]
Non-Sensitive []

Other []

DISTRIBUTION

Compliance [X]

Audit Matters []

Litigation []

Closed MUR Letters []

Status Sheets []

Advisory Opinions []

Other (see distribution below) []

85040523759



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE FEC
COMMISSIONER SECRETARY

05 FEB 8 P 3:23

February 8, 1985

MEMORANDUM

TO : The Commission
FROM : Charles N. Steele
General Counsel

SENSITIVE

BY: Kenneth A. Gross
Associate General Counsel

SUBJECT: MUR 1727 - Sheetmetal PAC 130
and Electro PAC 323

On January 8, 1985, the Commission authorized the Office of General Counsel to institute a civil action, pursuant to 2 U.S.C. § 437d(b), seeking enforcement of the Subpoenas to Produce Documents/Orders to Submit Written Answers issued to Roger L. Hudspeth, Sr., Treasurer, Sheetmetal PAC 130 and George L. Hudspeth, Jr., Treasurer, Electro PAC 323. On January 28, 1985, counsel for the Respondents filed responses to the subpoenas/orders. In light of these responses, this Office will not be instituting a civil action in this MUR.

85040523760

LAW OFFICES

KAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL
SUSSKIND, BLOOM & DE CASTRO

PROFESSIONAL ASSOCIATION
1951 NORTHWEST 17th AVENUE
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MIAMI, FLORIDA 33152
(305) 328-1881

STEVEN BLOOM
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General Practice
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ARNOLD D. HESSEN
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Administrative and Governmental Law
RICHARD P. SIWICA
ROBERT A. SUGARMAN
Labor Law
HOWARD S. SUSSKIND
Labor Law
RICHARD VESPUCCI
General Practice

ACC# 6537
RECEIVED AT THE FE

85 JAN 28 P2:28

WEST PALM BEACH OFFICE
SUITE 200 • FORUM III
1675 PALM BEACH LAKES BLVD.
WEST PALM BEACH, FLORIDA 33401
(305) 683-8400

FORT LAUDERDALE OFFICE
1136 S.E. 3rd AVENUE
FORT LAUDERDALE, FLORIDA 33316
(305) 467-1388

REPLY TO: Ft. Lauderdale

*muk 1727
Tarrant*

24 January 1985

Marybeth Tarrant
General Counsel's Office
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1727

Dear Ms. Tarrant:

This firm represents Sheetmetal PAC 130, Roger L. Hudspeth, Sr., its Treasurer, Electro PAC 323, and George L. Hudspeth, Jr., its Treasurer.

Enclosed are the sworn answers of our clients Roger L. Hudspeth, Sr. and George L. Hudspeth, Jr. to the questions propounded by the Commission which were the subject of the Commission's Order of October 30, 1984.

We apologize for the length of time it took to submit these answers to the Commission. You can expect our prompt cooperation in the future.

Yours truly,

Robert A. Sugarman
Robert A. Sugarman

RAS/meb
Enclosures

cc: George L. Hudspeth, Jr.
Roger L. Hudspeth, Sr.

85040523761

P4:27

12:27

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Electro PAC 323) MUR 1727
George L. Hudspeth, Jr., Treasurer)

Pursuant to the Orders to Submit Written Answers dated October 30, 1984, George L. Hudspeth, Jr., as Treasurer of Electro PAC 323, responds to the questions as follows:

1. To avoid having to write an additional check for the \$13,000.00 Electro PAC was going to loan to Sheetmetal PAC, I just told Ray Advertising to pay Electro PAC's \$13,000.00 refund to Sheetmetal PAC 130.
2. No, I did not intend it to be a contribution.
3. Yes.
 - a) I was not aware of any way to report a loan on FEC forms.
 - b) See answer to #1, above.
 - c) Sheetmetal PAC was short of funds so Electro PAC loaned it money.
 - d) No interest, repayments due when Sheetmetal PAC had available funds.
 - e) As far as I know, Sheetmetal PAC did not have any available funds until then.
 - f) I don't know.
4. No.
5. Yes.
6. Yes.
7. Yes.
8. Commission payment for ad agency's time spent on prepurchased air time.

85040523762

9. We received the money back from Ray Advertising as it received money back from radio and television stations who had been paid for prepurchased advertising.

10. Yes.

a) Roger Hudspeth. I do not recall the date.

b) \$13,000.00.

c) Because Sheetmetal PAC 130 was short of funds.

11. Not applicable.

12. I don't know.

13. No.

14. No.

15. No written agreement - verbal only.

16. I don't have any.

8 5 0 4 0 5 2 3 7 6 3

STATE OF FLORIDA
COUNTY OF PALM BEACH

COMES NOW GEORGE HUDSPETH, JR., Treasurer
of Electro PAC 323, who after being duly sworn states
that he has read the answers to the foregoing sixteen
(16) questions and they are true and correct to the
best of his knowledge.

George S. Hudspeth, Jr.
GEORGE HUDSPETH, JR.

Sworn to and subscribed before me this 17th day
of January, 1985.

Dorita L. Brockman
NOTARY PUBLIC
MY COMMISSION EXPIRES:

Notary Public, State of Florida
My Commission Expires March 15, 1985
Bonded Thru Troy Fain - Insurance, Inc.

85040523764

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheetmetal PAC 130) MUR 1727
Roger L. Hudspeth, Sr., Treasurer)

Pursuant to the Orders of Submit Written Answers dated October 30, 1984, Roger L. Hudspeth, Sr., as Treasurer of Sheetmetal PAC 130, responds to the questions as follows:

1. Because Electro PAC 323 was loaning \$13,000.00 to Sheetmetal PAC 130.
2. Yes.
3. No.
 - c) It was a loan.
4. Yes
 - a) I did not know how to fill out forms to show a loan.
 - b) I don't know.
 - c) Repayment, without interest, was due when Sheetmetal PAC had enough money in its account.
 - d) Sheetmetal PAC 130 had available funds to repay the loan in January, 1984.
 - e) Because I had erroneously shown the \$13,000.00 loan as a contribution from Ray Advertising, I sent the money back to Ray Advertising because the FEC raised the question of a corporate contribution.
5. No.
6. Yes. I needed the money for state and local candidate contributions and operating expenses.
7. No.

85040523765

8. See answer to #6.

9. None.

10. Yes. I told Ray Advertising to refund the money to Electro
PAC 323.

11. I think Sheetmetal PAC was refunding excess contributions
made in error by Electro PAC 323.

12. No.

13. None.

14. None.

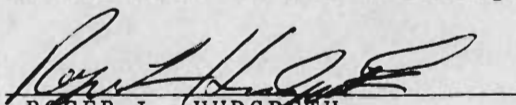
15. None - verbal agreement only.

16. None.

8 5 0 4 0 5 2 3 7 6 6

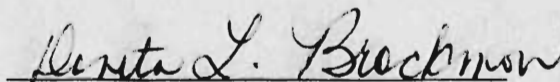
STATE OF FLORIDA
COUNTY OF PALM BEACH

COMES NOW ROGER L. HUDSPETH, Treasurer of
Sheetmetal PAC 323, who after being duly sworn states that
he has read the answers to the foregoing sixteen (16) questions
and they are true and correct to the best of his knowledge.



ROGER L. HUDSPETH

Sworn to and subscribed before me this 17th day
of January, 1985.



NOTARY PUBLIC
MY COMMISSION EXPIRES:

Notary Public, State of Florida
My Commission Expires March 15, 1985
Bonded thru Fidelity Insurance, Inc.

85040523767

8 5 0 4 0 5 2 3 7 6 8
CAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL
SUSSKIND, BLOOM & DE CASTRO, P.A.
1136 S.E. THIRD AVENUE
FT. LAUDERDALE, FLORIDA 33316



Marybeth Tarrant
General Counsel's Office
Federal Election Commission
Washington, D.C.
20463

Hispanic America

A Proud Heritage USA 2

Hispanic America

A Proud Heritage USA 2

JAN 28

P 2:10

STEVEN BLOOM
Labor Law
ALFREDO P. DE CASTRO
General Practice
NEAL L. GANON
PATRICK O. HELM
General Practice
ARNOLD D. HESSEN
Personal Injury and Wrongful Death
Family Law
JOSEPH H. KAPLAN
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General Practice
ROBERT A. SUGARMAN
Labor Law
HOWARD S. SUSSKIND
Labor Law

LAW OFFICES
**KAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL
SUSSKIND, BLOOM & DE CASTRO**

PROFESSIONAL ASSOCIATION
1951 NORTHWEST 17th AVENUE
P.O. DRAWER 520337
MIAMI, FLORIDA 33152
(305) 325-1881

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WEST PALM BEACH OFFICE
SUITE 200 FORUM II
1875 PALM BEACH LAKES BOULEVARD
WEST PALM BEACH, FLORIDA 33401
(305) 883-9400

FORT LAUDERDALE OFFICE
1136 S.E. 3rd AVENUE
FORT LAUDERDALE, FLORIDA 33316
(305) 467-1366

December 20, 1984

REPLY TO:

Ft. Lauderdale

Marybeth Tarrant
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1727

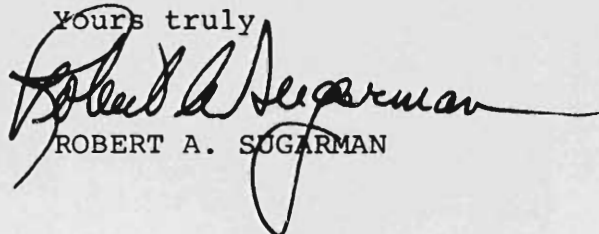
Dear Ms. Tarrant:

This firm represents Roger L. Hudspeth, Sr., Treasurer of Sheet Metal PAC 130 and George L. Hudspeth, Jr., Treasurer of Electro PAC 323.

On October 31st Chairman Elliott sent letters, orders to answer questions, and subpoenas to my two clients concerning MUR 1727. I apologize for not having responded sooner but we are still assembling the necessary information to answer the lengthy questions posed by the Commission.

I am writing to you to tell you that we are not ignoring the interrogatories or subpoenas and do expect to be answering them in the near future. We appreciate your patience and wish to assure you that we do intend to cooperate with the Commission in its investigation.

Yours truly


ROBERT A. SUGARMAN

RAS:dre
cc: George L. Hudspeth, Jr.
cc: Roger L. Hudspeth, Sr.

85040523769

PLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL

SUSSKIND, BLOOM & DE CASTRO, P.A.

1138 S.E. THIRD AVENUE

FT. LAUDERDALE, FLORIDA 33316



Season's Greet

Marybeth Tarrant
Federal Election Commission
Washington, D.C. 20463

84 DEC 26

A 9:



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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Sheetmetal PAC 130

Roger L. Hudspeth, Sr., as treasurer

Electro PAC 323

George L. Hudspeth, Jr., as treasurer

Ray Advertising

MUR 1727

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 8, 1985, do hereby certify that the Commission decided by a vote of 5-0 to authorize the Office of General Counsel to institute a civil action, pursuant to 2 U.S.C. § 437d(b), seeking enforcement of the Subpoenas to Produce Documents/Orders to Submit Written Answers issued to Roger L. Hudspeth, Sr., Treasurer, Sheetmetal PAC 130 and George L. Hudspeth, Jr., Treasurer, Electro PAC 323, in MUR 1727.

Commissioners Elliott, Harris, McDonald, McGarry, and Reive voted affirmatively for the decision; Commissioner Aikens was not present at the time of the vote.

Attest:

1-8-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

85040523771



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *CX*
DATE: December 21, 1984
SUBJECT: MUR 1727 - General Counsel's Report

The attached is submitted as an Agenda document
for the Commission Meeting of January 8, 1985

Open Session _____
Closed Session XX

CIRCULATIONS

48 Hour Tally Vote []
Sensitive []
Non-Sensitive []
24 Hour No Objection []
Sensitive []
Non-Sensitive []
Information []
Sensitive []
Non-Sensitive []

Other [X]

SENSITIVE

CIRCULATE ON BLUE PAPER

ON AGENDA 1-8-85

DISTRIBUTION

Compliance [X]
Audit Matters []
Litigation []
Closed MUR Letters []
Status Sheets []
Advisory Opinions []
Other (see distribution below) []

SENSITIVE

**BEFORE THE FEDERAL ELECTION COMMISSION THE FEC
COMMISSION SECRETARY**

In the Matter of)
)
Sheetmetal PAC 130)
Roger L. Hudspeth, Sr., as)
treasurer)
Electro PAC 130)
George L. Hudspeth, Jr., as)
treasurer)
Ray Advertising)

84 DEC 21 All : 29

MUR 1727

EXECUTIVE SESSION

JAN 08 1985

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 26, 1984, the Commission found reason to believe that Electro PAC 323 and George L. Hudspeth, Jr., as treasurer, had violated 2 U.S.C. § 441a(a)(1)(C) and that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, had violated 2 U.S.C. § 441a(f). On October 31, 1984, notification of the Commission's reason to believe findings and Subpoenas to Produce Documents/Orders to Submit Written Answers were mailed to the Respondents. Pursuant to those subpoenas/ orders, answers and documents were to be submitted within 10 days of the Respondents' receipt of the subpoenas/orders. Return receipts from the United States Postal Service show that the Respondents received the subpoenas/orders on November 5, 1984.

At this writing, the Respondents have not responded to the subpoenas/orders. The questions issued by the Commission seek information concerning a \$13,000 payment from Ray Advertising, a corporation, to Sheetmetal PAC 130 which, upon information from the Respondents, now appears to have been owed to Electro PAC 323.

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(On June 18, 1984, the Commission found reason to believe that Ray Advertising, Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, had violated 2 U.S.C. § 441b in connection with the making and acceptance of a corporate contribution.) The questions also seek to ascertain the role of Ray Advertising in the transaction. The subpoenas ask for copies of all loan agreements between Sheetmetal PAC 130 and Electro PAC 323 and copies of all agreements and/or contracts between Ray Advertising and Sheetmetal PAC 130 and Electro PAC 323. As this information is necessary to the Commission's investigation, this Office recommends the Commission authorize a civil action to enforce the subpoenas/orders.

II. RECOMMENDATION

Authorize the Office of the General Counsel to institute a civil action, pursuant to 2 U.S.C. § 437d(b), seeking enforcement of the Subpoenas to Produce Documents/Orders to Submit Written Answers issued to Roger L. Hudspeth, Sr., Treasurer, Sheetmetal PAC 130 and George L. Hudspeth, Jr., Treasurer, Electro PAC 323.

12/21/89
Date

Charles N. Steele
Charles N. Steele
General Counsel

85040523774

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1727
Sheetmetal PAC 130)
Roger L. Hudspeth, Sr.,)
Treasurer)
Ray Advertising)
Electro PAC 130)
George L. Hudspeth, Jr.,)
Treasurer)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 26, 1984, the Commission decided by a vote of 6-0 to take the following actions in MUR 1727:

1. Find reason to believe that Electro PAC 323 and George L. Hudspeth, Jr., as treasurer, violated 2 U.S.C. § 441a(a)(1)(C).
2. Find reason to believe that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, violated 2 U.S.C. § 441a(f).
3. Authorize the subpoenas/orders to George L. Hudspeth, Jr., and Roger L. Hudspeth, Sr. submitted with the General Counsel's Report signed October 24, 1984.
4. Approve the letters attached to the General Counsel's Report signed October 24, 1984.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry and Reiche voted affirmatively in this matter.

Attest:

10-26-84

Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JODY C. RANSOM *JCR*

DATE: OCTOBER 30, 1984

SUBJECT: MUR 1727 - Subpoenas and Orders

The attached subpoenas/orders were Commission approved on October 26, 1984 by a vote of 6-0. They have been signed and sealed this date.

Attachments

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 31, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

George L. Hudspeth, Jr., Treasurer
Electro PAC 323
927 Belvedere Road
West Palm Beach, Florida 33405

Re: MUR 1727

Dear Mr. Hudspeth:

On October 26, 1984, the Federal Election Commission determined that there is reason to believe that Electro PAC 323 and you, as treasurer, violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and your committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit such materials along with your response to the enclosed Order to Answer Questions/Subpoena to Produce Documents.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order/subpoena. If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel and authorizing such counsel to receive any notifications or other communications from the Commission. It is required that you submit the information under oath and that you do so within ten days of your receipt of this order/subpoena.

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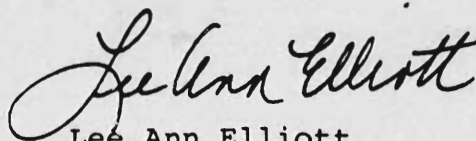
Letter to George L. Hudspeth
Page 2

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

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Marybeth Tarrant, the staff member assigned to this matter, at (202)523-4143.

Sincerely,



Lee Ann Elliott
Chairman

Enclosures

Subpoena/Order

Questions

General Counsel's Factual and Legal Analysis

Procedures

Designation of Counsel Form

85040523778

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Electro PAC 323)

George L. Hudspeth, Jr., Treasurer, et al.)

MUR 1727

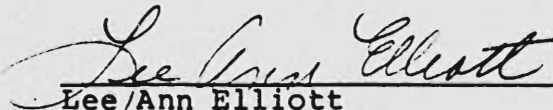
SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: George L. Hudspeth, Jr., Treasurer
Electro PAC 323
927 Belvedere Road
West Palm Beach, Florida 33405

Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and Subpoenas you to produce requested documents.

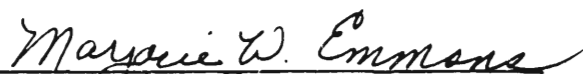
Such answers must be submitted under oath and must be forwarded to the Commission within ten (10) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand on *Oct. 30*, 1984.



Lee Ann Elliott
Chairman

ATTEST:



Marjorie W. Emmons
Secretary to the Commission

Attachment

85040523779

**QUESTIONS PURSUANT TO ORDER
REQUEST FOR THE PRODUCTION OF DOCUMENTS**

**TO: George L. Hudspeth, Jr., Treasurer
Electro PAC 323**

RE: Matter Under Review 1727

On August 23, 1982, Sheetmetal PAC 130 received \$13,000 from Ray Advertising. This receipt was first characterized as a contribution and is now being characterized as a loan from Electro PAC 323. According to Robert Ray, President of Ray Advertising, he was told by George L. Hudspeth, Jr., Treasurer of Electro PAC 323, to give the \$13,000 to Sheetmetal PAC 130. The money allegedly represented a refund for prepaid but unused television advertising expenditures originally paid for by Electro PAC 323. On August 23, 1982, Sheetmetal PAC 130 contributed \$5,000 to Electro PAC 323. On January 19, 1984, Sheetmetal PAC 130 repaid Ray Advertising \$13,000. Subsequently, Ray Advertising refunded \$13,000 to Electro PAC 323. Based on the above facts, please answer the following questions:

1. State why you instructed Ray Advertising to give \$13,000 to Sheetmetal PAC 130.
2. State whether you intended the transaction to be considered a contribution from Electro PAC 323 to Sheetmetal PAC 130.
 - a) If so, please explain why it was not reported as such.
 - b) If so, please explain why Electro PAC 323 did not give the money directly to Sheetmetal PAC 130 instead of going through Ray Advertising.
3. State whether you intended the transaction to be considered as a loan from Electro PAC 323 to Sheetmetal PAC 130.
 - a) If so, please explain why it was not reported as such.
 - b) If so, please explain why Electro PAC 323 did not give the money directly to Sheetmetal PAC 130 instead of going through Ray Advertising.

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- c) If so, state the purpose for which the money was loaned.
- d) If so, please describe the terms of the loan.
- e) If so, please explain why the loan was not repaid nor any payments made until January 1984.
- f) If so, state why the repayment was made to Ray Advertising.
- g) If not, state the purpose for which the money was given to Sheetmetal PAC 130.

On April 2, 1982, Electro PAC 323 paid Ray Advertising \$60,000 for the purchase of radio and TV time. With regard to this transaction, please answer questions 4 through 9.

4. State whether this payment in any way involved Sheetmetal PAC 130.

If so, please explain.

5. State whether the \$13,000 given to Sheetmetal PAC 130 represented a partial refund of this \$60,000.

If not, please state when the original payment was made and for how much.

6. State whether the \$38,890 refund received by Electro PAC 323 from Ray Advertising on August 18, 1982, represented a partial refund of this \$60,000 payment.

7. State whether the \$7,000 refund received by Electro PAC 323 from Ray Advertising on August 23, 1982, represented a partial refund of this \$60,000 payment.

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8. If your answers to questions 5, 6 & 7 are yes, please explain what happened to the remaining \$1,110 leftover from the original \$60,000 payment.

9. If your answers to questions 5, 6 & 7 are yes, please explain why the refunds were made in such increments.

10. State whether you and/or any representative of Electro PAC 323 was approached by any representative of Sheetmetal PAC 130 for a contribution and/or loan prior to the \$13,000 payment to Sheetmetal PAC from Ray Advertising.

a) If so, please state the name of Sheetmetal PAC 130's representative and the date the contact was made.

b) If so, state the amount that was asked for.

c) If so, state the stated purpose for which the money was needed?

d) If not, state the reason the \$13,000 was given to Sheetmetal PAC 130.

11. On August 23, 1982, Electro PAC 323 paid Ray Advertising \$12,955.44 for a newspaper ad. State why Ray Advertising was instructed to refund \$13,000 to Sheetmetal PAC 130 when the money could have been used as payment for the ad.

12. State why Sheetmetal PAC 130 contributed \$5,000 to Electro PAC 323 on the same date it received the \$13,000 from Electro PAC 323 through Ray Advertising.

13. State whether the \$5,000 was considered a partial loan repayment.

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a) If so, please explain why it was not reported as such.

b) If not, state the purpose of the \$5,000.

14. State whether Sheetmetal PAC 130 and Electro PAC 323 together participated in the securing of advertising in 1982 through Ray Advertising, which was not used.

If so, provide the details of such transactions.

15. Please provide copies of all loan agreements between Sheetmetal PAC 130 and Electro PAC 323 entered into during 1982.

16. Please provide copies of all advertising agreements and/or contracts between Ray Advertising and Sheetmetal PAC 130 entered into during 1982.

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FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR NO. 1727
STAFF MEMBER(S) & TEL. NO.
Marybeth Tarrant
(202)523-4143

RESPONDENTS Electro PAC 323
George L. Hudspeth, Jr., Treasurer

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

SUMMARY OF ALLEGATIONS

It is alleged that Electro PAC 323 and George L. Hudspeth, Jr., as treasurer, violated 2 U.S.C. § 441a(a)(1)(C) by making an excessive contribution to Sheetmetal PAC 130.

FACTUAL BASIS AND LEGAL ANALYSIS

This matter was referred to the Office of the General Counsel by the Reports Analysis Division ("RAD"). On June 18, 1984, the Commission voted to open a MUR and found reason to believe that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, and Ray Advertising violated 2 U.S.C. § 441b(a). In addition, the Commission authorized the sending of subpoenas/orders to Sheetmetal PAC 130, Ray Advertising and Sheet Metal Workers Local Union No. 130. On August 2 and 20, 1984, responses were filed in answer to the subpoenas/orders. See Attachment 1.

This matter concerns a \$13,000 payment which Sheetmetal PAC 130 received on August 23, 1982, from Ray Advertising, an incorporated entity. In November 1983, a RFAI was sent by RAD

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questioning the appearance of a \$13,000 corporate contribution. While a response was received stating that the contribution would be refunded, counsel for Sheetmetal PAC 130 told a RAD analyst over the phone that the money was not a contribution but rather a refund for prepaid unused advertising. Counsel stated that several unions had financed advertising on behalf of federal and state candidates through Ray Advertising but that the funds were not used. When questioned by the RAD analyst in subsequent conversations regarding these statements, counsel refused to elaborate and simply indicated that the money was refunded on January 19, 1984. As Sheetmetal PAC had not made any payments to Ray Advertising previously, questions arose concerning the \$13,000 and what sort of advertising was involved.

Responses to our questions indicate that, at the direction of George L. Hudspeth, Jr., treasurer of Electro PAC 323, a registered political committee, Ray Advertising was instructed to refund the \$13,000 to Sheetmetal PAC 130 instead of Electro PAC 323 which had originally paid for the advertising. When Sheetmetal PAC 130 later refunded the money to Ray Advertising, Ray Advertising immediately refunded the money to Electro PAC 323. Sheetmetal PAC 130 did not participate in the securing of advertising, and there was no explanation as to why Electro PAC instructed Ray Advertising to refund \$13,000 to Sheetmetal PAC 130.

Counsel for the Respondents is claiming that the term "contribution" was used inadvertently when disclosing the \$13,000 payment from Ray Advertising and is now characterizing the

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transaction as a loan from Electro PAC 323 to Sheetmetal PAC 130. Counsel has stated that Sheetmetal PAC 130 is willing to amend its appropriate reports to reflect this transaction as a loan which was repaid. No explanation was given as to why the "loan" was made.

A review of Electro PAC and Sheetmetal PAC's reports (see Attachments 2 and 3) reveal the following transactions:

<u>Date</u>	<u>Payer</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose*</u>
4/2/82	Electro PAC	Ray Advertising	\$60,000**	purchase of radio & TV time
8/18/82	Ray Advertising	Electro PAC	\$38,890	refund
8/23/82	Ray Advertising	Electro PAC	\$ 7,000	refund
8/23/82	Sheetmetal PAC	Electro PAC	\$ 5,000	contribution
8/23/82	Electro PAC	Ray Advertising	\$12,955.44	newspaper ad
8/23/82	Ray Advertising	Sheetmetal PAC	\$13,000	contribution
1/16/84	Electro PAC	Sheetmetal PAC	\$ 3,000	contribution
1/19/84	Sheetmetal PAC	Ray Advertising	\$13,000	refund
1/24/84	Ray Advertising	Electro PAC	\$13,000	refund

* As reported by the committees

** It is noted that in addition to this \$60,000 and the \$12,955.44 payment listed below, Electro PAC paid Ray Advertising in 1982 a total of \$36,074.73 on various dates for various types of advertising.

As shown above, Electro PAC 323 paid Ray Advertising \$60,000 in 1982 for advertising which was not used and obtained refunds totalling \$45,890. Out of the \$14,110 remaining, \$13,000 was apparently given to Sheetmetal PAC 130 at the request of Electro PAC. It is not clear what happened to the \$1,110 left over. In addition, it is not clear why Sheetmetal PAC 130 contributed \$5,000 to Electro PAC 323 on the same date it received a \$13,000 "loan" from Electro PAC or why Electro PAC made a payment of approximately \$13,000 to Ray Advertising at the same time it instructed Ray Advertising to make a payment of \$13,000 to Sheetmetal PAC.

Pursuant to 2 U.S.C. § 441a(a)(1)(C), a person is prohibited from making contributions to a political committee, other than an authorized committee or a national political party committee, in any calendar year which, in the aggregate, exceed \$5,000.

Pursuant to 2 U.S.C. § 431(8)(A)(i), the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. Under 2 U.S.C. § 431(11), the term "person" includes a committee. Although counsel claims that the \$13,000 covered Sheetmetal PAC 130's non-federal contributions and operating expenditures, the committee did support federal candidates and did make contributions to other political action committees in 1982. Pursuant to 11 C.F.R. § 102.5(a), organizations which finance political activity in connection with both federal and non-federal elections and which qualify as a political committee shall either establish a separate federal account or establish a political committee which shall receive only contributions subject to the prohibitions and limitations of the Act, regardless of whether such contributions are for use in connection with federal or non-federal elections. As Sheetmetal PAC 130 did not establish a separate federal account, it is required to accept only those contributions permitted by the Act. Pursuant to 2 U.S.C. § 441a(f), a political committee is prohibited from knowingly accepting a contribution in violation of the limitations set forth in section 441a. It is apparent that Sheetmetal PAC 130 was aware that the

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\$13,000 it received from Ray Advertising was in excess of the limitations and should have been refunded to Electro PAC 323.

Counsel's characterization of the transaction as a loan from Electro PAC to Sheetmetal PAC does not alter the fact that an excessive contribution was made and accepted. Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(A), a loan which exceeds the contribution limitations of 2 U.S.C. § 441a shall be unlawful whether or not it is repaid. Under 2 U.S.C. § 431(8)(A) and 11 C.F.R. § 100.7(a)(1)(i)(B), a loan is a contribution at the time it is made and is a contribution to the extent that it remains unpaid.

Based on the above facts, the Office of the General Counsel recommends that the Commission find reason to believe that Electro PAC 323 and George L. Hudspeth, Jr., as treasurer, violated 2 U.S.C. § 441a(a)(1)(C).

Attachments

1. Response filed by Sheetmetal PAC 130
2. Pages of reports filed by Electro PAC 323
3. Pages of reports filed by Sheetmetal PAC 130

85040523788



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 31, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert A. Sugarman, Esquire
Kaplan, Sicking, Hessen, Sugarman,
Rosenthal, Susskind, Bloom & DeCastro
1951 Northwest 17th Avenue
P.O. Drawer 520337
Miami, Florida 33152

Re: MUR 1727
Sheetmetal PAC 130
Roger L. Hudspeth, Sr.,
as treasurer

Dear Mr. Sugarman:

On June 20, 1984, your clients were notified that the Commission had found reason to believe they had violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. On October 26, 1984, the Commission determined that there is reason to believe that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, violated 2 U.S.C. § 441a(f). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, your clients have an opportunity to demonstrate that no action should be taken against them. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit such materials along with your clients' response to the enclosed Order to Answer Questions/Subpoena to Produce Documents. It is required that the information be submitted under oath and within ten days of your receipt of the subpoena/order.

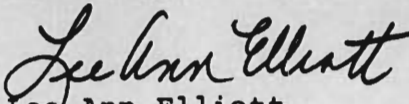
In the absence of any additional information which demonstrates that no further action should be taken against your clients, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through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

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Letter to Robert A. Sugarman
Page 2

If you have any questions, please contact Marybeth Tarrant,
the staff member assigned to this matter, at (202)523-4143.

Sincerely,



Lee Ann Elliott
Chairman

Enclosures

Subpoena/Order

Questions

General Counsel's Factual and Legal Analysis

Procedures

85040523790

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Sheetmetal PAC 130

Roger L. Hudspeth, Sr., Treasurer, et al.

MUR 1727

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Roger L. Hudspeth, Sr., Treasurer
Sheetmetal PAC 130
P.O. Box 2465
West Palm Beach, Florida 33402

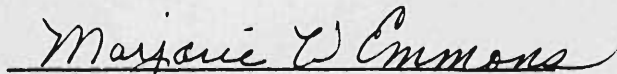
Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and Subpoenas you to produce requested documents.

Such answers must be submitted under oath and must be forwarded to the Commission within ten (10) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand on *Oct. 30*, 1984.


Lee Ann Elliott
Chairman

ATTEST:


Marjorie W. Emmons
Secretary to the Commission

Attachment

85040523791

QUESTIONS PURSUANT TO ORDER
REQUEST FOR THE PRODUCTION OF DOCUMENTS

TO: Roger L. Hudspeth, Sr., Treasurer
Sheetmetal PAC 130

RE: Matter Under Review 1727

On August 23, 1982, Sheetmetal PAC 130 received \$13,000 from Ray Advertising. This receipt was first characterized as a contribution and is now being characterized as a loan from Electro PAC 323. According to Robert Ray, President of Ray Advertising, he was told by George L. Hudspeth, Jr., Treasurer of Electro PAC 323, to give the \$13,000 to Sheetmetal PAC 130. The money allegedly represented a refund for prepaid but unused television advertising originally paid for by Electro PAC 323. On August 23, 1982, Sheetmetal PAC 130 contributed \$5,000 to Electro PAC 323. On January 19, 1984, Sheetmetal PAC 130 repaid Ray Advertising \$13,000. Subsequently, Ray Advertising refunded \$13,000 to Electro PAC 323. Based on the above facts, please answer the following questions:

1. Please explain your understanding of why Ray Advertising was instructed to give \$13,000 to Sheetmetal PAC 130 instead of Electro PAC 323.
2. State whether you were aware at the time of the transaction that the money was owed to Electro PAC 323 by Ray Advertising.
3. State whether you consider the \$13,000 as a contribution from Electro PAC 323.
 - a) If so, please explain why it was not reported as such.
 - b) If so, please explain why the contribution was made through Ray Advertising.
 - c) If not, why not?
4. State whether it was your understanding at the time of the transaction that the \$13,000 represented a loan to Sheetmetal PAC 130 from Electro PAC 323.
 - a) If so, please explain why this transaction was not reported as such.

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b) If so, please explain why Electro PAC 323 did not give your committee the money directly instead of having it come from Ray Advertising.

c) If so, please describe the terms of the loan.

d) If so, please explain why the loan was not repaid until January 1984.

e) If so, please explain why the repayment was made to Ray Advertising and not to Electro PAC 323 directly.

f) If not, why not?

g) If not, state your understanding of the purpose for which Electro PAC 323 gave the \$13,000 to your committee.

5. You have stated that Sheetmetal PAC 130 did not participate in the securing of advertising on behalf of federal candidates through Ray Advertising for the 1982 election campaign. State whether Sheetmetal PAC 130 and Electro PAC 323 together participated in the securing of any advertising in 1982 through Ray Advertising which was not used.

6. State whether you or any representative of Sheetmetal PAC 130 asked Electro PAC 323 for the \$13,000 prior to the committee receiving it.

If so, please state for what purpose the money was needed.

7. State whether Sheet Metal PAC 130 asked Ray Advertising for the \$13,000 prior to receiving it.

If so, please state for what stated purpose the money was needed.

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8. State the purpose for which the \$13,000 from Ray Advertising was used.

9. Please describe any conversations you had with any representative of Ray Advertising regarding the \$13,000 prior to the committee receiving it.

10. State whether you knew at the time Sheetmetal PAC 130 repaid \$13,000 to Ray Advertising that Ray Advertising would in turn refund the money to Electro PAC 323, and state how you knew.

11. Please explain why, on the same date Sheetmetal PAC 130 received \$13,000 from Ray Advertising, a \$5,000 contribution was made by Sheet Metal PAC 130 to Electro PAC 323.

12. State whether the \$5,000 was a partial loan repayment.

If so, please explain why it was not reported as such.

13. Please describe Sheet Metal PAC 130's relationship to Electro PAC 323.

14. Please describe your relationship to Electro PAC 323.

15. Please provide copies of all loan agreements between Sheetmetal PAC 130 and Electro PAC 323 entered into during 1982.

16. Please provide copies of all agreements and/or contracts between Ray Advertising and Sheetmetal PAC 130, entered into during 1982.

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FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR No. 1727
STAFF MEMBER(S) & TEL. NO.
Marybeth Tarrant
(202) 523-4143

RESPONDENTS Sheetmetal PAC 130
Roger L. Hudspeth, Sr., Treasurer

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

SUMMARY OF ALLEGATIONS

It is alleged that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, violated 2 U.S.C. § 441a(f) by accepting an excessive contribution from Electro PAC 323.

FACTUAL BASIS AND LEGAL ANALYSIS

This matter was referred to the Office of the General Counsel by the Reports Analysis Division ("RAD"). On June 18, 1984, the Commission voted to open a MUR and found reason to believe that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, and Ray Advertising violated 2 U.S.C. § 441b(a). In addition, the Commission authorized the sending of subpoenas/orders to Sheetmetal PAC 130, Ray Advertising and Sheet Metal Workers Local Union No. 130. On August 2 and 20, 1984, responses were filed in answer to the subpoenas/orders. See Attachments 1 and 2.

This matter concerns a \$13,000 payment which Sheetmetal PAC 130 received on August 23, 1982, from Ray Advertising, an incorporated entity. In November 1983, a RFAI was sent by RAD

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questioning the appearance of a \$13,000 corporate contribution. While a response was received stating that the contribution would be refunded, counsel for Sheetmetal PAC 130 told a RAD analyst over the phone that the money was not a contribution but rather a refund for prepaid unused advertising. Counsel stated that several unions had financed advertising on behalf of federal and state candidates through Ray Advertising but that the funds were not used. When questioned by the RAD analyst in subsequent conversations regarding these statements, counsel refused to elaborate and simply indicated that the money was refunded on January 19, 1984. As Sheetmetal PAC had not made any payments to Ray Advertising previously, questions arose concerning the \$13,000 and what sort of advertising was involved.

Responses to our questions indicate that, at the direction of George L. Hudspeth, Jr., treasurer of Electro PAC 323, a registered political committee, Ray Advertising was instructed to refund the \$13,000 to Sheetmetal PAC 130 instead of Electro PAC 323 which had originally paid for the advertising. When Sheetmetal PAC 130 later refunded the money to Ray Advertising, Ray Advertising immediately refunded the money to Electro PAC 323. Sheetmetal PAC 130 did not participate in the securing of advertising, and there was no explanation as to why Electro PAC instructed Ray Advertising to refund \$13,000 to Sheetmetal PAC 130.

Counsel for the Respondents is claiming that the term "contribution" was used inadvertently when disclosing the \$13,000

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payment from Ray Advertising and is now characterizing the transaction as a loan from Electro PAC 323 to Sheetmetal PAC 130. Counsel has stated that Sheetmetal PAC 130 is willing to amend its appropriate reports to reflect this transaction as a loan which was repaid. No explanation was given as to why the "loan" was made.

A review of Electro PAC and Sheetmetal PAC's reports (see Attachments 3 and 4) reveal the following transactions:

<u>Date</u>	<u>Payer</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose*</u>
4/2/82	Electro PAC	Ray Advertising	\$60,000**	purchase of radio & TV time
8/18/82	Ray Advertising	Electro PAC	\$38,890	refund
8/23/82	Ray Advertising	Electro PAC	\$ 7,000	refund
8/23/82	Sheetmetal PAC	Electro PAC	\$ 5,000	contribution
8/23/82	Electro PAC	Ray Advertising	\$12,955.44	newspaper ad
8/23/82	Ray Advertising	Sheetmetal PAC	\$13,000	contribution
1/16/84	Electro PAC	Sheetmetal PAC	\$ 3,000	contribution
1/19/84	Sheetmetal PAC	Ray Advertising	\$13,000	refund
1/24/84	Ray Advertising	Electro PAC	\$13,000	refund

* As reported by the committees

** It is noted that in addition to this \$60,000 and the \$12,955.44 payment listed below, Electro PAC paid Ray Advertising in 1982 a total of \$36,074.73 on various dates for various types of advertising.

As shown above, Electro PAC 323 paid Ray Advertising \$60,000 in 1982 for advertising which was not used and obtained refunds totalling \$45,890. Out of the \$14,110 remaining, \$13,000 was apparently given to Sheetmetal PAC 130 at the request of Electro PAC. It is not clear what happened to the \$1,110 left over. In addition, it is not clear why Sheetmetal PAC 130 contributed \$5,000 to Electro PAC 323 on the same date it received a \$13,000 "loan" from Electro PAC or why Electro PAC made a payment of approximately \$13,000 to Ray Advertising at the same time it

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instructed Ray Advertising to make a payment of \$13,000 to Sheetmetal PAC.

Pursuant to 2 U.S.C. § 441a(a)(1)(C), a person is prohibited from making contributions to a political committee, other than an authorized committee or a national political party committee, in any calendar year which, in the aggregate, exceed \$5,000.

Pursuant to 2 U.S.C. § 431(8)(A)(i), the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. Under 2 U.S.C. § 431(11), the term "person" includes a committee. Although counsel claims that the \$13,000 covered Sheetmetal PAC 130's non-federal contributions and operating expenditures, the committee did support federal candidates and did make contributions to other political action committees in 1982. Pursuant to 11 C.F.R. § 102.5(a), organizations which finance political activity in connection with both federal and non-federal elections and which qualify as a political committee shall either establish a separate federal account or establish a political committee which shall receive only contributions subject to the prohibitions and limitations of the Act, regardless of whether such contributions are for use in connection with federal or non-federal elections. As Sheetmetal PAC 130 did not establish a separate federal account, it is required to accept only those contributions permitted by the Act. Pursuant to 2 U.S.C. § 441a(f), a political committee is prohibited from knowingly accepting a

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contribution in violation of the limitations set forth in section 441a. It is apparent that Sheetmetal PAC 130 was aware that the \$13,000 it received from Ray Advertising was in excess of the limitations and should have been refunded to Electro PAC 323.

Counsel's characterization of the transaction as a loan from Electro PAC to Sheetmetal PAC does not alter the fact that an excessive contribution was made and accepted. Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(A), a loan which exceeds the contribution limitations of 2 U.S.C. § 441a shall be unlawful whether or not it is repaid. Under 2 U.S.C. § 431(8)(A) and 11 C.F.R. § 100.7(a)(1)(i)(B), a loan is a contribution at the time it is made and is a contribution to the extent that it remains unpaid.

Based on the above facts, the Office of the General Counsel recommends that the Commission find reason to believe that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, violated 2 U.S.C. § 441a(f).

Attachments

1. Response of August 2, 1984
2. Response of August 20, 1984
3. Pages of reports filed by Electro PAC 323
4. Pages of reports filed by Sheetmetal PAC 130

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *QW*
DATE: October 24, 1984
SUBJECT: MUR 1727 - GC's Rpt

The attached is submitted as an Agenda document
for the Commission Meeting of _____
Open Session _____
Closed Session _____

CIRCULATIONS

48 Hour Tally Vote [x]
Sensitive [x]
Non-Sensitive []

24 Hour No Objection []
Sensitive []
Non-Sensitive []

Information []
Sensitive []
Non-Sensitive []

Other []

DISTRIBUTION

Compliance [x]
Audit Matters []
Litigation []
Closed MUR Letters []
Status Sheets []
Advisory Opinions []
Other (see distribution below) []

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE FEC
CLERK OF THE COMMISSION

In the Matter of)
)
Sheetmetal PAC 130)
Roger L. Hudspeth, Sr., Treasurer)
Ray Advertising)
Electro PAC 130)
George L. Hudspeth, Jr., Treasurer)

MUR 1727 84 OCT 24 AIO: 48

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter was referred to the Office of the General Counsel by the Reports Analysis Division ("RAD"). On June 18, 1984, the Commission voted to open a MUR and found reason to believe that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, and Ray Advertising violated 2 U.S.C. § 441b(a). In addition, the Commission authorized the sending of subpoenas/orders to Sheetmetal PAC 130, Ray Advertising and Sheet Metal Workers Local Union No. 130. On August 2 and 20, 1984, responses were filed in answer to the subpoenas/orders. See Attachments 1 and 2.

II. FACTUAL AND LEGAL ANALYSIS

This matter concerns a \$13,000 payment which Sheetmetal PAC 130 received on August 23, 1982, from Ray Advertising, an incorporated entity. In November 1983, a RFAI was sent by RAD questioning the appearance of a \$13,000 corporate contribution. While a response was received stating that the contribution would be refunded, counsel for Sheetmetal PAC 130 told a RAD analyst over the phone that the money was not a contribution but rather a

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refund for prepaid unused advertising. Counsel stated that several unions had financed advertising on behalf of federal and state candidates through Ray Advertising but that the funds were not used. When questioned by the RAD analyst in subsequent conversations regarding these statements, counsel refused to elaborate and simply indicated that the money was refunded on January 19, 1984. As Sheetmetal PAC had not made any payments to Ray Advertising previously, questions arose concerning the \$13,000 and what sort of advertising was involved.

Responses to our questions indicate that, at the direction of George L. Hudspeth, Jr., treasurer of Electro PAC 323, a registered political committee, Ray Advertising was instructed to refund the \$13,000 to Sheetmetal PAC 130 instead of Electro PAC 323 which had originally paid for the advertising. When Sheetmetal PAC 130 later refunded the money to Ray Advertising, Ray Advertising immediately refunded the money to Electro PAC 323. Sheetmetal PAC 130 did not participate in the securing of advertising, and there was no explanation as to why Electro PAC instructed Ray Advertising to refund \$13,000 to Sheetmetal PAC 130.

Counsel for the Respondents is claiming that the term "contribution" was used inadvertently when disclosing the \$13,000 payment from Ray Advertising and is now characterizing the transaction as a loan from Electro PAC 323 to Sheetmetal PAC 130. Counsel has stated that Sheetmetal PAC 130 is willing to amend

85040523802

its appropriate reports to reflect this transaction as a loan which was repaid. No explanation was given as to why the "loan" was made.

A review of Electro PAC and Sheetmetal PAC's reports (see Attachments 3 and 4) reveal the following transactions:

<u>Date</u>	<u>Payer</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose*</u>
4/2/82	Electro PAC	Ray Advertising	\$60,000**	purchase of radio & TV time
8/18/82	Ray Advertising	Electro PAC	\$38,890	refund
8/23/82	Ray Advertising	Electro PAC	\$ 7,000	refund
8/23/82	Sheetmetal PAC	Electro PAC	\$ 5,000	contribution
8/23/82	Electro PAC	Ray Advertising	\$12,955.44	newspaper ad
8/23/82	Ray Advertising	Sheetmetal PAC	\$13,000	contribution
1/16/84	Electro PAC	Sheetmetal PAC	\$ 3,000	contribution
1/19/84	Sheetmetal PAC	Ray Advertising	\$13,000	refund
1/24/84	Ray Advertising	Electro PAC	\$13,000	refund

* As reported by the committees

** It is noted that in addition to this \$60,000 and the \$12,955.44 payment listed below, Electro PAC paid Ray Advertising in 1982 a total of \$36,074.73 on various dates for various types of advertising.

As shown above, Electro PAC 323 paid Ray Advertising \$60,000 in 1982 for advertising which was not used and obtained refunds totalling \$45,890. Out of the \$14,110 remaining, \$13,000 was apparently given to Sheetmetal PAC 130 at the request of Electro PAC. It is not clear what happened to the \$1,110 left over. In addition, it is not clear why Sheetmetal PAC 130 contributed \$5,000 to Electro PAC 323 on the same date it received a \$13,000 "loan" from Electro PAC or why Electro PAC made a payment of approximately \$13,000 to Ray Advertising at the same time it instructed Ray Advertising to make a payment of \$13,000 to Sheetmetal PAC.

Pursuant to 2 U.S.C. § 441a(a)(1)(C), a person is prohibited from making contributions to a political committee, other than an authorized committee or a national political party committee, in any calendar year which, in the aggregate, exceed \$5,000.

Pursuant to 2 U.S.C. § 431(8)(A)(i), the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. Under 2 U.S.C. § 431(11), the term "person" includes a committee. Although counsel claims that the \$13,000 covered Sheetmetal PAC 130's non-federal contributions and operating expenditures, the committee did support federal candidates and did make contributions to other political action committees in 1982. Pursuant to 11 C.F.R. § 102.5(a), organizations which finance political activity in connection with both federal and non-federal elections and which qualify as a political committee shall either establish a separate federal account or establish a political committee which shall receive only contributions subject to the prohibitions and limitations of the Act, regardless of whether such contributions are for use in connection with federal or non-federal elections. As Sheetmetal PAC 130 did not establish a separate federal account, it is required to accept only those contributions permitted by the Act. Pursuant to 2 U.S.C. § 441a(f), a political committee is prohibited from knowingly accepting a contribution in violation of the limitations set forth in section 441a. It is apparent that Sheetmetal PAC 130 was aware that the

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\$13,000 it received from Ray Advertising was in excess of the limitations and should have been refunded to Electro PAC 323.

Counsel's characterization of the transaction as a loan from Electro PAC to Sheetmetal PAC does not alter the fact that an excessive contribution was made and accepted. Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(A), a loan which exceeds the contribution limitations of 2 U.S.C. § 441a shall be unlawful whether or not it is repaid. Under 2 U.S.C. § 431(8)(A) and 11 C.F.R. § 100.7(a)(1)(i)(B), a loan is a contribution at the time it is made and is a contribution to the extent that it remains unpaid.

Based on the above facts, the Office of the General Counsel recommends that the Commission find reason to believe that Electro PAC 323 and George L. Hudspeth, Jr., as treasurer, and Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, violated 2 U.S.C. § 441a. With regard to the past reason to believe findings concerning the making and acceptance of a corporate contribution, this Office wishes to obtain more information before making further recommendations on that issue.

Due to the unanswered questions regarding the \$13,000, this Office further recommends that the Commission authorize the attached subpoenas/orders and cover letters to George L. Hudspeth, Jr., and Roger L. Hudspeth, Sr.

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III. RECOMMENDATIONS

1. Find reason to believe that Electro PAC 323 and George L. Hudspeth, Jr., as treasurer, violated 2 U.S.C. § 441a(a)(1)(C).
2. Find reason to believe that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, violated 2 U.S.C. § 441a(f).
3. Authorize the attached subpoenas/orders to George L. Hudspeth, Jr., and Roger L. Hudspeth, Sr.
4. Approve the attached letters.

Charles N. Steele
General Counsel

Oct 24, 1984
Date

By: Kenneth A. Gross
Associate General Counsel

Attachments

1. Response of August 2, 1984
2. Response of August 20, 1984
3. Pages of reports filed by Electro PAC 323
4. Pages of reports filed by Sheetmetal PAC 130
5. Subpoenas/Orders
6. Proposed letters
7. General Counsel's Factual and Legal Analysis

85040523806

TABLE 1

112

Ft. Laysan

Attachment 1

July 27, 1984

Our respondents feel that no further action should be taken by the Commission in light of the following circumstances. The \$13,000 paid by Ray Advertising to Sheetmetal PAC Local 130 was a refund of pre-paid television advertising that was not used. My characterization of this refund as a "contribution" in earlier correspondence was inadvertent. The copy of Ray Advertising's check number 3374 attached to Mr. Ray's affidavit clearly designates the payment as a "refund".

Since the payment by Ray Advertising was a "refund" and not a contribution, it should not have been counted as a contribution on line 11(c) of Sheetmetal PAC 130's October 15, 1982 quarterly report. The error is obvious because line 11(b) concerns contributions from "other political committees." It is obvious that Ray Advertising, Inc., is not a "political committee."

When this error was discovered by the Commission analyst, the \$13,000 was refunded by Sheetmetal PAC 130 to Ray Advertising. A copy of Sheetmetal PAC 130's check #1099 in the sum of \$13,000 is attached to this letter. When the funds were returned to Ray Advertising by Sheetmetal PAC 130, Ray Advertising sent them Electro PAC 323 on January 24, 1984. A copy of Ray Advertising's check #5833 is attached.

Based upon the above, the respondents contend that Ray Advertising refunded the unused television advertising money to Sheetmetal PAC 130 instead of Electro PAC Local 323. When the error was discovered by the Commission analyst, Sheetmetal PAC Local 130 returned the erroneous refund to Ray Advertising who refunded it to Electro PAC 323. As Mr. Ray's affidavit points out, George L. Hudspeth, Jr., who is an officer of Electro PAC 323, requested Mr. Ray to make the refund to Sheetmetal PAC Local 130 instead of to Electro PAC 323.

Based upon these facts, it appears that the refund made by Ray Advertising to Sheetmetal PAC 130, instead of to Electro PAC 323, is a loan from Electro PAC 323 to Sheetmetal PAC 130. The loan was made on August 20, 1983 when Ray Advertising made the \$13,000 refund to Sheetmetal PAC Local 130. The loan was repaid by Sheetmetal PAC Local 130 on January 19, 1984 when it returned the \$13,000 to Ray Advertising which immediately forwarded the \$13,000 to Electro PAC 323.

Respondent Ray Advertising therefore contends that it did not violate the act since it was merely holding the money in its

July 27, 1984

account as a bailee or legal trustee. They refunded the \$13,000 to Sheetmetal PAC Local 130 at the instruction of George Hudspeth. When the money was payed back to Ray Advertising by Sheetmetal PAC 130 it was immediately refunded to Electro PAC 323. At no time were Ray Advertising's own funds involved.

Sheetmetal PAC Local 130 contends that the loan was not a contribution as defined by 11 CFR §100.7(a)(1) which, in relevant part, defines the contribution as a loan "made by any person for the purpose of influencing any election for federal office..." Sheetmetal PAC 130's October 15th quarterly report shows that, during the quarter, it made contributions of \$10,215 to non-federal candidates. It also had incurred \$1,721.98 in operating expenditures for the year and had \$3,594.23 in cash on hand. Thus, the \$13,000 "loan" covered Sheetmetal PAC 130's non-federal contributions, operating expenditures, and "cash on hand." Added together, these more than exceed the \$13,000 "loan."

Alternately, Sheetmetal PAC Local 130 contends that the "loan", even if it was considered a contribution from either Ray Advertising or Electro PAC 323, was no longer a loan on June 18, 1984, when the Commission determined that there is a reason to believe that the respondents violated the Act. 11 CFR §100.7(a)(1)(a)(B) provides "a loan to the extent it is repaid, is no longer a contribution." Thus, on June 18, 1984, the loan had been fully repaid. In fact, it had been fully repaid on January 19, 1984, and could therefore no longer be considered a "contribution" after that date.

For the above reasons, the respondents contend that they did not violate the Act. However, should the Commission disagree, the respondents are willing to enter into a conciliation agreement. Specifically, Sheetmetal PAC 130 and its Treasurer, Roger L. Hudspeth, Sr., are willing to file amended reports for the last two quarters of 1982, all of 1983, and the first quarter of 1984 to reflect the above transaction as a loan which was repaid. Ray Advertising, Inc., and its President, Robert L. Ray, Sr., did not feel they violated the Act at all since the corporation did not make a contribution or in any way benefit or profit from this transaction. However, to amicably settle this matter, the corporation is willing to enter into a conciliation agreement which will provide that any refunds in the future made to federally registered separate segregated funds will only be made to the funds from which the payments were received.

Marybeth Tarrant

-4-

July 27, 1984

I hope that the above explanation finally clears this up. My fuller investigation of this rather complicated transaction made after my correspondence to the Commission analyst shows the correct nature of the transaction and, in our opinion, does not warrant further action by the Commission.

We look forward to your reply.

Yours truly,

Robert A. Sugarman

ROBERT A. SUGARMAN

RAS:dre

Encls

cc: Roger Hudspeth

cc: George L. Hudspeth

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SHEET METAL PAG 130

OK BOX 3465

WEST PALM BEACH, FL 33402

1099

PAY TO THE
ORDER OF

Ken, 4407 N. Tr...

513,000

... 100

DOLLARS



OF WEST PALM BEACH

West Palm Beach, Florida 33402

Ray H. ...

85040521

00001099...:067086270:5627...4052530

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714 N.E. 8TH STREET
DELRAY BEACH, FLORIDA 33443

PAY

DATE

TO THE ORDER OF

1/24/84 ELECTRO PAC 323

Florida National Bank & Trust Company at West Palm Beach
WEST PALM BEACH, FLORIDA

FED

GROSS
AMOUNT

FED.

FICA

COMM DISC.

NET AMOUNT

DESCRIPTION

13000.00

REMITTANCE ADVICE			
REIMBURSEMENT	OF	PAYEE	FINANCIAL
UNUSUAL	IN	THE	1983

5833

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6/0

RAY ADVERTISING, INC.

Robert A. [Signature]

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheetmetal PAC 130) MUR 1727
Roger L. Hudspeth, Sr., Treasurer)
Ray Advertising)
)

A F F I D A V I T

STATE OF FLORIDA
COUNTY OF PALM BEACH

Pursuant to the Orders to Submit Written Answers dated June 19 & 20, 1984, Roger L. Hudspeth, Sr., after being duly sworn, states:

1. I am the Treasurer of Sheetmetal PAC 130 and was the Business Manager and Financial Secretary-Treasurer of Sheetmetal Workers International Association Local Union No. 130. As Business Manager and Financial Secretary-Treasurer of Local 130 I was the chief executive officer of Local 130. As such, I am answering the questions propounded to the President of Local 130. The local union president is not a full-time union official and has no personal first hand knowledge of the events questioned. On May 1, 1984, Local 130 merged with Local 223 to form Local 32 of which I am Business Representative. I am neither the Business Manager nor chief executive officer of Local 223.

2. As chief executive officer of Local 130, I respond to the questions posed to the President of Local 130 as follows:

1. No.

2. No.

3. As Treasurer of Sheetmetal PAC 130, my answers to the questions are:

1. No.

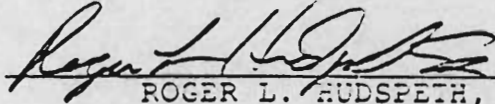
2. a) It was listed in error on the same sheet as contributions from other political committees. Ray Advertising is not a political committee.

b) Refund of prepaid television advertising that was not used.

3. No.

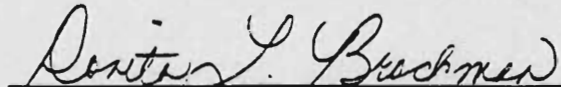
4. Mr. Sugarman was mistaken in using the term contribution.

5. Yes.



ROGER L. AUDSPETH, SR.

Sworn to and subscribed before me in West Palm Beach, Palm Beach County, Florida, on this 9th day of July, 1984.



NOTARY PUBLIC

MY COMMISSION EXPIRES:

Notary Public, State of Florida
My Commission Expires March 18, 1985
Issued Pursuant to Chapter 468, F.S.

85040523814

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Sheetmetal PAC 130

Roger L. Hudspeth, Sr., Treasurer

Ray Advertising

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)
)
)
)

MUR 1727

A F F I D A V I T

STATE OF FLORIDA
COUNTY OF PALM BEACH

Pursuant to the Subpoena and Order dated June 19, 1984,
Robert L. Ray, after being duly sworn, states:

1. I am the President of Ray Advertising, Inc., and
have been President since its incorporation in 1981.

2. My answers to the Questions attached to the
June 19, 1984 Order are as follows:

1. No.

2. Refund of prepaid but unused television
advertising expenditures.

3. Yes, for the Sheetmetal PAC 130.

4. No. (d) I was instructed by George L. Hudspeth, Jr.,
to refund \$13,000 to Sheetmetal Pac 130.

5. (No question #5).

6. Copies of all contracts and agreements will
be forwarded under separate cover.

7. Copy of check #3374 attached.

Robert L. Ray
ROBERT L. RAY

Sworn to and subscribed before me in West Palm Beach,
Palm Beach County, Florida, on this 9th day of July, 1984.

Conita L. Buchanan
NOTARY PUBLIC
MY COMMISSION EXPIRES:

Notary Public, State of Florida

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LAW OFFICES

KAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL
SUSSKIND, BLOOM & DE CASTRO

AUG 20 9:27

STEFEN BLOOM
ALFREDO F. DE CASTRO
NEAL L. GARDIN
FATECK O. HELM
ARNOLD D. HESSEN
JOSEPH M. KAPLAN
GERALD A. ROSENTHAL
SHARON M. SABEL
ROBERT SCHIMMEL
RICHARD A. SICKING
RICHARD P. SWICA
ROBERT T. STRAIN
ROBERT A. SUGARMAN
EDWARD S. SUSSKIND

PROFESSIONAL ASSOCIATION
1951 NORTHWEST 17th AVENUE
P.O. DRAWER 520337
MIAMI, FLORIDA 33152
(305) 325-1881

WEST PALM BEACH OFFICE
SUITE 200 FORUM B
1875 PALM BEACH LAKES BOULEVARD
WEST PALM BEACH, FLORIDA 33401
(305) 663-6400

FORT LAUDERDALE OFFICE
1136 S.E. 3rd AVENUE
FORT LAUDERDALE, FLORIDA 33316
(305) 467-1366

August 13, 1984

REPLY TO:

Ft. Lauderdale

GCC
#4373

Attachment 2

Marybeth Tarrant
General Counsel's Office
Federal Election Commission
Washington, D.C. 20543

Re: MUR 1727

Dear Ms. Tarrant:

Enclosed please find the notarized statement of Robert L. Ray, Sr., President of Ray Advertising, Inc., respondent in the above-numbered case.

The purpose of this signed statement is to supplement Mr. Ray's answers to the questions propounded in the Commission's Order dated June 19, 1984.

The June 19th Order directed Mr. Ray to answer 7 questions propounded by the Commission. Question number 6 asked Mr. Ray to provide copies of all agreements between his firm and any unions or their PACs concerning the 1982 election campaign of any federal candidates. After reviewing his files, Mr. Ray found that he had no written contracts at that time with any unions or PACs and his enclosed statement so attests.

We look forward to a response to our letter of July 27, 1984 which set forth our clients' position in this matter.

Yours truly,

ROBERT A. SUGARMAN

FAS:dre
cc: Roger Hudspeth
cc: George Hudspeth
cc: Robert L. Ray, Sr.,

08:00 10

11

85040523817



84 AUG 20 9:27

August 2, 1984

Robert A. Sugarman
Attorney at Law
1951 Northwest 17th Ave.
P.O. Drawer 520337
Miami, FL 33152

Dear Mr. Sugarman:

Please be advised that we had no contracts in 1982 between Ray Advertising, Inc. and any PACs.

Sincerely,

A handwritten signature in cursive script that reads 'Robert L. Ray'.

Robert L. Ray

RLR:cl

Rudy A. Ward
8/3/84

Notary Public State of Florida at Large
My Commission Expires Jan. 28, 1985
BONDED THROUGH SECURITY, SURETY
& HARVEY INSURANCE & BONDING, INC.

(12)

85040523818

ITEMIZED DISBURSEMENTS

Electropac 333

1982 July Quarterly

Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Ray Advertising 714 NE 8th Street Delray Beach, Florida 33444	Purchase of Radio & TV time Disbursement for ☒ Primary ☐ General Other (specify):	1/02/82	\$ 60,000.--
A. L. Ross & Sons 5001 Georgia Ave West Palm Beach, Florida 33405	Printing bill Disbursement for ☒ Primary ☐ General Other (specify):	4/19/82	\$ 40.04
Nordlinger Associates 1120 Connecticut Ave Washington, DC 20035	Political Consultants Disbursement for ☐ Primary ☐ General Other (specify):	4/19/82	\$ 3000.--
American Labor Beacon P.O. Box 2705, Trolley Station Detroit, MI 48231	Educational material for members Disbursement for ☒ Primary ☐ General Other (specify):	5/17/82	\$ 550.00
American Labor Beacon P.O. Box 2705, Trolley Station Detroit, MI 48231	Educational material for members Disbursement for ☒ Primary ☐ General Other (specify):	5/21/82	\$ 550.00
Kaplan, Sicking et al. 1951 NW 17th Ave Miami, Florida 33152	Attorney fee Disbursement for ☐ Primary ☐ General Other (specify):	5/21/82	\$ 500.00
Congressional Quarterly 1414 22nd Street NW Washington, DC 20037	C.Q. Binders Disbursement for ☐ Primary ☐ General Other (specify):	6/10/82	\$ 26.95
A.L. Ross & Sons 5001 Georgia Ave West Palm Beach, Florida 33405	Stationary/Supplies Disbursement for ☒ Primary ☐ General Other (specify):	6/10/82	\$ 16.73
American Labor Beacon P.O. Box 2705, Trolley Station Detroit, MI 48231	Educational material for members Disbursement for ☒ Primary ☐ General Other (specify):	6/10/82	\$ 550.00

SUBTOTAL (Total Disbursements This Page) is \$

TOTAL (Total Disbursements This Page) is \$

\$ 65,253.12

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Attachment 3

SCHEDULE A

ITEMIZED RECEIPTS

Page 1 of 1 for
LINE NUMBER 1
(Use separate schedules for each category of the Combined Summary Page)

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.			
Name of Committee (in Full)			
ElectroPAC 323		1982 12 Day Pre-Primary	
A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Linda Cox 825 SE 6th Court Ft. Lauderdale, Fl 33301		7-29-82	\$973.00
Receipt For: ☐ Primary ☐ General ☒ Other (specify): refund	Occupation	Aggregate Year-to-Date-\$	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Political Picnic 4620 Summit Blvd West Palm Beach, Fl 33406		8-18-82	\$ 62.38
Receipt For: ☐ Primary ☐ General ☒ Other (specify): refund	Occupation	Aggregate Year-to-Date-\$	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Ray Advertising 714 NE 8th Street Delray Beach, Fl 33444		8-18-82	\$38,890.00
Receipt For: ☐ Primary ☐ General ☒ Other (specify): refund	Occupation	Aggregate Year-to-Date-\$	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Ray Advertising 714 NE 8th Street Delray Beach, Fl 33444		8-23-82	\$7,000.00
Receipt For: ☐ Primary ☐ General ☒ Other (specify): refund	Occupation	Aggregate Year-to-Date-\$	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date-\$	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date-\$	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date-\$	
SUBTOTAL of Receipts This Page (optional)			
TOTAL This Period (last page this line number only)			\$46,925.38

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SCHEDULE A

ITEMIZED RECEIPTS

Page 1 of 1 for
LINE NUMBER 115
 (Use separate schedules for each category of the General Summary Page)

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.			
Name of Committee (in Full)		1982 12 Day Pre-Primary	
A. Full Name, Mailing Address and ZIP Code Sheet Metal PAC 130 1003 Belvedere Road West Palm Beach, FL 33405		Name of Employer Sheet Metal Workers Local 130 Occupation	Date (month, day, year) 8-23-82 Amount of Each Receipt This Period \$5000.00
Receipt For: ☐ Primary ☐ General ☐ Other (specify):		Aggregate Year-to-Date—\$	
B. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation	Date (month, day, year) Amount of Each Receipt This Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify):		Aggregate Year-to-Date—\$	
C. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation	Date (month, day, year) Amount of Each Receipt This Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify):		Aggregate Year-to-Date—\$	
D. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation	Date (month, day, year) Amount of Each Receipt This Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify):		Aggregate Year-to-Date—\$	
E. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation	Date (month, day, year) Amount of Each Receipt This Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify):		Aggregate Year-to-Date—\$	
F. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation	Date (month, day, year) Amount of Each Receipt This Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify):		Aggregate Year-to-Date—\$	
G. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation	Date (month, day, year) Amount of Each Receipt This Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify):		Aggregate Year-to-Date—\$	
SUBTOTAL of Receipts This Page (optional)			
TOTAL This Period (last page this line number only)			\$5000.00

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SCHEDULE B

ITEMIZED DISBURSEMENTS

Page 4 of 4 29 ¹⁰⁰
 LINE NUMBER
 (Use separate schedule(s) for each category of the Detailed Summary Page)

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full) **ElectroPAC 323** *1982 12 Day Pre-Primary*

A. Full Name, Mailing Address and ZIP Code Palm Beach County COPE 929 Belvedere Road West Palm Beach, Fl 33405	Purpose of Disbursement Refreshments COPE screening	Date (month, day, year) 7-28-82	Amount of Each Disbursement This Period \$ 500.00
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
B. Full Name, Mailing Address and ZIP Code Buckingham-Wheeler Agency, Inc. P.O. Box 220 Vero Beach, Fl 32960	Purpose of Disbursement Liability insurance	Date (month, day, year) 7-30-82	Amount of Each Disbursement This Period \$ 1,775.00
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
C. Full Name, Mailing Address and ZIP Code Ray Advertising 714 NE 8th Street Delray Beach, Fl 33444	Purpose of Disbursement Newspaper ad Picnic	Date (month, day, year) 8-03-82	Amount of Each Disbursement This Period \$ 608.25
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
D. Full Name, Mailing Address and ZIP Code American Labor Beacon P.O. Box 2705, Trolley Station Detroit, MI 48231	Purpose of Disbursement Educational material for members	Date (month, day, year) 8-11-82	Amount of Each Disbursement This Period \$ 550.00
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
E. Full Name, Mailing Address and ZIP Code Jerry L. Owens 4256 Lakewood Road Lake Worth, Fl 33461	Purpose of Disbursement Delegate expense	Date (month, day, year) 8-19-82	Amount of Each Disbursement This Period \$ 420.00
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
F. Full Name, Mailing Address and ZIP Code Robert W. Pearce 17823 SE Federal Highway Jupiter, Fl 33458	Purpose of Disbursement Delegate expense	Date (month, day, year) 8-19-82	Amount of Each Disbursement This Period \$ 420.00
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
G. Full Name, Mailing Address and ZIP Code James P. Jones 603 Royal Palm Drive Lake Worth, Fl 33460	Purpose of Disbursement Delegate expense	Date (month, day, year) 8-19-82	Amount of Each Disbursement This Period \$ 435.00
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
H. Full Name, Mailing Address and ZIP Code Palm Beach County Federation of Labor AFL-CIO 929 Belvedere Road West Palm Beach, Fl 33405	Purpose of Disbursement per capita expense	Date (month, day, year) 8-19-82	Amount of Each Disbursement This Period \$ 7,500.00
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
I. Full Name, Mailing Address and ZIP Code Ray Advertising 714 NE 8th Street Delray Beach, Fl 33444	Purpose of Disbursement Newspaper ad	Date (month, day, year) 8-23-82	Amount of Each Disbursement This Period \$ 12,955.44
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
SUBTOTAL of Disbursements This Page (optional)			\$ 25,163.69
TOTAL This Period (last page this line number only)			\$ 47,974.58

SCHEDULE A

ITEMIZED RECEIPTS

Page 1 of 1 for
LINE NUMBER 15
(Use separate schedule(s) for each
category of the Detailed
Summary Page)

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full)

ElectroPAC 323

1984 April Quarterly

A. Full Name, Mailing Address and ZIP Code

Ray Advertising
714 NE 8th Street
Delray Beach, Florida 33444

Name of Employer

Refund of money
for advertisement
pre-paid and not used.

Date (month,
day, year)

1-24-84

Amount of Each
Receipt this Period

\$ 13,000.00

Occupation

Receipt For: ☐ Primary ☐ General
☐ Other (specify):

Aggregate Year-to-Date-\$

B. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month,
day, year)

Amount of Each
Receipt This Period

Occupation

Receipt For: ☐ Primary ☐ General
☐ Other (specify):

Aggregate Year-to-Date-\$

C. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month,
day, year)

Amount of Each
Receipt This Period

Occupation

Receipt For: ☐ Primary ☐ General
☐ Other (specify):

Aggregate Year-to-Date-\$

D. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month,
day, year)

Amount of Each
Receipt This Period

Occupation

Receipt For: ☐ Primary ☐ General
☐ Other (specify):

Aggregate Year-to-Date-\$

E. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month,
day, year)

Amount of Each
Receipt This Period

Occupation

Receipt For: ☐ Primary ☐ General
☐ Other (specify):

Aggregate Year-to-Date-\$

F. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month,
day, year)

Amount of Each
Receipt This Period

Occupation

Receipt For: ☐ Primary ☐ General
☐ Other (specify):

Aggregate Year-to-Date-\$

G. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month,
day, year)

Amount of Each
Receipt This Period

Occupation

Receipt For: ☐ Primary ☐ General
☐ Other (specify):

Aggregate Year-to-Date-\$

SUBTOTAL of Receipts This Page (optional)

TOTAL This Period (last page this line number only)

\$ 13,000.00

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SCHEDULE A

ITEMIZED RECEIPTS

Form 1 of 2
LINE NUMBER 1
(Use additional sheets for each category of the Listed Summary Page)

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full) **Sheetmetal PAC 130** **1982 12 Day Pre-Primary**

A. Full Name, Mailing Address and ZIP Code UA PAC 630 1900 N. Florida Mango Rd. West Palm Beach, FL	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period \$4,200.00
	Occupation	8-13-82	

Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date-\$
---	---------------------------

B. Full Name, Mailing Address and ZIP Code Iron Workers PAC 402 1001 W. 15th St. Biviera Beach, FL 33404	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period \$4,200.00
	Occupation	8-18-82	

Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date-\$
---	---------------------------

C. Full Name, Mailing Address and ZIP Code Ray Advertising 714 NE 8th St. Delray Beach, FL 33444	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period \$13,000.00
	Occupation	8-23-82	

Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date-\$
---	---------------------------

D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		

Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date-\$
---	---------------------------

E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		

Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date-\$
---	---------------------------

F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		

Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date-\$
---	---------------------------

G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		

Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date-\$
---	---------------------------

SUBTOTAL of Receipts This Page (optional)

TOTAL This Period (last page this line number only) **11,400.00**

Attachment 4

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SCHEDULE B

ITEMIZED DISBURSEMENTS

Page 1 of 1 for
 LINE NUMBER: 24
 (Use separate schedules for each
 category of the Detailed
 Summary Page)

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full) **Sheetmetal PAC 130** **1982 12 Day Pre-Primary**

A. Full Name, Mailing Address and ZIP Code Lake Worth Democratic Club 620 S. E St. Lake Worth, FL 33460	Purpose of Disbursement contribution Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year) 7-26-82	Amount of Each Disbursement This Period \$ 40.00
B. Full Name, Mailing Address and ZIP Code Brad Culverhouse P. O. Box 4392 Ft. Pierce, FL 33454	Purpose of Disbursement to elect Culverhouse to Congress Dist. 12 Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year) 8-13-82	Amount of Each Disbursement This Period \$4,515.00
C. Full Name, Mailing Address and ZIP Code Electro PAC 323 927 Belvedere Rd. West Palm Beach, FL 33405	Purpose of Disbursement transfer of funds Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year) 8-23-82	Amount of Each Disbursement This Period \$5,000.00
D. Full Name, Mailing Address and ZIP Code Operating Engineers PAC 675 1551 W. Copans Rd. Pompano Beach, FL 33964	Purpose of Disbursement transfer of funds Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year) 8-23-82	Amount of Each Disbursement This Period \$3,000.00
E. Full Name, Mailing Address and ZIP Code Palm Beach County Federation of Labor 929 Belvedere Rd. West Palm Beach, FL 33405	Purpose of Disbursement transfer of funds Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year) 8-23-82	Amount of Each Disbursement This Period \$ 470.00
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
SUBTOTAL of Disbursements This Page (optional)			
TOTAL This Period (last page this line number only)			\$13,125.00

SCHEDULE A

ITEMIZED RECEIPTS

Page 1 of 1 for
LINE NUMBER 110
(Use separate schedules for each
category of the Detailed
Summary Page)

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full) **Sheetmetal PAC 130** **1984 April Quarterly**

A. Full Name, Mailing Address and ZIP Code Electro PAC 323 927 Belvedere Rd. West Palm Beach, FL 33415 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date-\$	Date (month, day, year) 1-16-84	Amount of Each Receipt This Period 3,000.00
B. Full Name, Mailing Address and ZIP Code UA 630 PAC 1900 N. Fla. Mango Rd. West Palm Beach, FL 33407 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date-\$	Date (month, day, year) 1-16-84	Amount of Each Receipt This Period 5,000.00
C. Full Name, Mailing Address and ZIP Code Iron Workers Local 402 PAC 1001 W. 15th St. Riviera Beach, FL 33404 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date-\$	Date (month, day, year) 1-16-84	Amount of Each Receipt This Period 2,500.00
D. Full Name, Mailing Address and ZIP Code Iron Workers Local 402 PAC 1001 W. 15th St. Riviera Beach, FL 33404 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date-\$	Date (month, day, year) 1-16-84	Amount of Each Receipt This Period 2,500.00
E. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date-\$	Date (month, day, year)	Amount of Each Receipt This Period
F. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date-\$	Date (month, day, year)	Amount of Each Receipt This Period
G. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date-\$	Date (month, day, year)	Amount of Each Receipt This Period
SUBTOTAL of Receipts This Page (optional)			13,000.00
TOTAL This Period (last page this line number only)			13,000.00

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SCHEDULE B

ITEMIZED DISBURSEMENTS

Page 1 of 1 for
 LINE NUMBER 262
 (Use separate schedule(s) for each
 category of the Detailed
 Summary Page)

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full)

Sheetmetal PAC 130

1984 April Quarterly

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Ray Advertising 714 NE 8th St. Delray Beach, FL 33444	refund contribution Disbursement for: ☐ Primary ☒ General ☐ Other (specify):	1-19-84	13,000.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
SUBTOTAL of Disbursements This Page (optional)			
TOTAL This Period (last page this line number only)			13,000.00

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Electro PAC 323

George L. Hudspeth, Jr., Treasurer, et al.

)
)
)
)

MUR 1727

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: George L. Hudspeth, Jr., Treasurer
Electro PAC 323
927 Belvedere Road
West Palm Beach, Florida 33405

Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and Subpoenas you to produce requested documents.

Such answers must be submitted under oath and must be forwarded to the Commission within ten (10) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand on , 1984.

Lee Ann Elliott
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment

Attachment 5

**QUESTIONS PURSUANT TO ORDER
REQUEST FOR THE PRODUCTION OF DOCUMENTS**

**TO: George L. Hudspeth, Jr., Treasurer
Electro PAC 323**

RE: Matter Under Review 1727

On August 23, 1982, Sheetmetal PAC 130 received \$13,000 from Ray Advertising. This receipt was first characterized as a contribution and is now being characterized as a loan from Electro PAC 323. According to Robert Ray, President of Ray Advertising, he was told by George L. Hudspeth, Jr., Treasurer of Electro PAC 323, to give the \$13,000 to Sheetmetal PAC 130. The money allegedly represented a refund for prepaid but unused television advertising expenditures originally paid for by Electro PAC 323. On August 23, 1982, Sheetmetal PAC 130 contributed \$5,000 to Electro PAC 323. On January 19, 1984, Sheetmetal PAC 130 repaid Ray Advertising \$13,000. Subsequently, Ray Advertising refunded \$13,000 to Electro PAC 323. Based on the above facts, please answer the following questions:

1. State why you instructed Ray Advertising to give \$13,000 to Sheetmetal PAC 130.
2. State whether you intended the transaction to be considered a contribution from Electro PAC 323 to Sheetmetal PAC 130.
 - a) If so, please explain why it was not reported as such.
 - b) If so, please explain why Electro PAC 323 did not give the money directly to Sheetmetal PAC 130 instead of going through Ray Advertising.
3. State whether you intended the transaction to be considered as a loan from Electro PAC 323 to Sheetmetal PAC 130.
 - a) If so, please explain why it was not reported as such.
 - b) If so, please explain why Electro PAC 323 did not give the money directly to Sheetmetal PAC 130 instead of going through Ray Advertising.

- c) If so, state the purpose for which the money was loaned.
- d) If so, please describe the terms of the loan.
- e) If so, please explain why the loan was not repaid nor any payments made until January 1984.
- f) If so, state why the repayment was made to Ray Advertising.
- g) If not, state the purpose for which the money was given to Sheetmetal PAC 130.

On April 2, 1982, Electro PAC 323 paid Ray Advertising \$60,000 for the purchase of radio and TV time. With regard to this transaction, please answer questions 4 through 9.

4. State whether this payment in any way involved Sheetmetal PAC 130.

If so, please explain.

5. State whether the \$13,000 given to Sheetmetal PAC 130 represented a partial refund of this \$60,000.

If not, please state when the original payment was made and for how much.

6. State whether the \$38,890 refund received by Electro PAC 323 from Ray Advertising on August 18, 1982, represented a partial refund of this \$60,000 payment.

7. State whether the \$7,000 refund received by Electro PAC 323 from Ray Advertising on August 23, 1982, represented a partial refund of this \$60,000 payment.

8. If your answers to questions 5, 6 & 7 are yes, please explain what happened to the remaining \$1,110 leftover from the original \$60,000 payment.

9. If your answers to questions 5, 6 & 7 are yes, please explain why the refunds were made in such increments.

10. State whether you and/or any representative of Electro PAC 323 was approached by any representative of Sheetmetal PAC 130 for a contribution and/or loan prior to the \$13,000 payment to Sheetmetal PAC from Ray Advertising.

a) If so, please state the name of Sheetmetal PAC 130's representative and the date the contact was made.

b) If so, state the amount that was asked for.

c) If so, state the stated purpose for which the money was needed.

d) If not, state the reason the \$13,000 was given to Sheetmetal PAC 130.

11. On August 23, 1982, Electro PAC 323 paid Ray Advertising \$12,955.44 for a newspaper ad. State why Ray Advertising was instructed to refund \$13,000 to Sheetmetal PAC 130 when the money could have been used as payment for the ad.

12. State why Sheetmetal PAC 130 contributed \$5,000 to Electro PAC 323 on the same date it received the \$13,000 from Electro PAC 323 through Ray Advertising.

13. State whether the \$5,000 was considered a partial loan repayment.

a) If so, please explain why it was not reported as such.

b) If not, state the purpose of the \$5,000.

14. State whether Sheetmetal PAC 130 and Electro PAC 323 together participated in the securing of advertising in 1982 through Ray Advertising, which was not used.

If so, provide the details of such transactions.

15. Please provide copies of all loan agreements between Sheetmetal PAC 130 and Electro PAC 323 entered into during 1982.

16. Please provide copies of all advertising agreements and/or contracts between Ray Advertising and Sheetmetal PAC 130 entered into during 1982.

85040523832

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Sheetmetal PAC 130)

Roger L. Hudspeth, Sr., Treasurer, et al.)

MUR 1727

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Roger L. Hudspeth, Sr., Treasurer
Sheetmetal PAC 130
P.O. Box 2465
West Palm Beach, Florida 33402

Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and Subpoenas you to produce requested documents.

Such answers must be submitted under oath and must be forwarded to the Commission within ten (10) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand on , 1984.

Lee Ann Elliott
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment

**QUESTIONS PURSUANT TO ORDER
REQUEST FOR THE PRODUCTION OF DOCUMENTS**

TO: Roger L. Hudspeth, Sr., Treasurer
Sheetmetal PAC 130

RE: Matter Under Review 1727

On August 23, 1982, Sheetmetal PAC 130 received \$13,000 from Ray Advertising. This receipt was first characterized as a contribution and is now being characterized as a loan from Electro PAC 323. According to Robert Ray, President of Ray Advertising, he was told by George L. Hudspeth, Jr., Treasurer of Electro PAC 323, to give the \$13,000 to Sheetmetal PAC 130. The money allegedly represented a refund for prepaid but unused television advertising originally paid for by Electro PAC 323. On August 23, 1982, Sheetmetal PAC 130 contributed \$5,000 to Electro PAC 323. On January 19, 1984, Sheetmetal PAC 130 repaid Ray Advertising \$13,000. Subsequently, Ray Advertising refunded \$13,000 to Electro PAC 323. Based on the above facts, please answer the following questions:

1. Please explain your understanding of why Ray Advertising was instructed to give \$13,000 to Sheetmetal PAC 130 instead of Electro PAC 323.
2. State whether you were aware at the time of the transaction that the money was owed to Electro PAC 323 by Ray Advertising.
3. State whether you consider the \$13,000 as a contribution from Electro PAC 323.
 - a) If so, please explain why it was not reported as such.
 - b) If so, please explain why the contribution was made through Ray Advertising.
 - c) If not, why not?
4. State whether it was your understanding at the time of the transaction that the \$13,000 represented a loan to Sheetmetal PAC 130 from Electro PAC 323.
 - a) If so, please explain why this transaction was not reported as such.

b) If so, please explain why Electro PAC 323 did not give your committee the money directly instead of having it come from Ray Advertising.

c) If so, please describe the terms of the loan.

d) If so, please explain why the loan was not repaid until January 1984.

e) If so, please explain why the repayment was made to Ray Advertising and not to Electro PAC 323 directly.

f) If not, why not?

g) If not, state your understanding of the purpose for which Electro PAC 323 gave the \$13,000 to your committee.

5. You have stated that Sheetmetal PAC 130 did not participate in the securing of advertising on behalf of federal candidates through Ray Advertising for the 1982 election campaign. State whether Sheetmetal PAC 130 and Electro PAC 323 together participated in the securing of any advertising in 1982 through Ray Advertising which was not used.

6. State whether you or any representative of Sheetmetal PAC 130 asked Electro PAC 323 for the \$13,000 prior to the committee receiving it.

If so, please state for what purpose the money was needed.

7. State whether Sheet Metal PAC 130 asked Ray Advertising for the \$13,000 prior to receiving it.

If so, please state for what stated purpose the money was needed.

8. State the purpose for which the \$13,000 from Ray Advertising was used.

9. Please describe any conversations you had with any representative of Ray Advertising regarding the \$13,000 prior to the committee receiving it.

10. State whether you knew at the time Sheetmetal PAC 130 repaid \$13,000 to Ray Advertising that Ray Advertising would in turn refund the money to Electro PAC 323, and state how you knew.

11. Please explain why, on the same date Sheetmetal PAC 130 received \$13,000 from Ray Advertising, a \$5,000 contribution was made by Sheet Metal PAC 130 to Electro PAC 323.

12. State whether the \$5,000 was a partial loan repayment.

If so, please explain why it was not reported as such.

13. Please describe Sheet Metal PAC 130's relationship to Electro PAC 323.

14. Please describe your relationship to Electro PAC 323.

15. Please provide copies of all loan agreements between Sheetmetal PAC 130 and Electro PAC 323 entered into during 1982.

16. Please provide copies of all agreements and/or contracts between Ray Advertising and Sheetmetal PAC 130, entered into during 1982.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

George L. Hudspeth, Jr., Treasurer
Electro PAC 323
927 Belvedere Road
West Palm Beach, Florida 33405

Re: MUR 1727

Dear Mr. Hudspeth:

On October , 1984, the Federal Election Commission determined that there is reason to believe that Electro PAC 323 and you, as treasurer, violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and your committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit such materials along with your response to the enclosed Order to Answer Questions/Subpoena to Produce Documents.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order/subpoena. If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel and authorizing such counsel to receive any notifications or other communications from the Commission. It is required that you submit the information under oath and that you do so within ten days of your receipt of this order/subpoena.

Attachment 6

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Letter to George L. Hudspeth
Page 2

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

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Marybeth Tarrant, the staff member assigned to this matter, at (202)523-4143.

Sincerely,

Enclosures

Subpoena/Order

Questions

General Counsel's Factual and Legal Analysis

Procedures

Designation of Counsel Form



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert A. Sugarman, Esquire
Kaplan, Sicking, Hessen, Sugarman,
Rosenthal, Susskind, Bloom & DeCastro
1951 Northwest 17th Avenue
P.O. Drawer 520337
Miami, Florida 33152

Re: MUR 1727
Sheetmetal PAC 130
Roger L. Hudspeth, Sr.,
as treasurer

Dear Mr. Sugarman:

On June 20, 1984, your clients were notified that the Commission had found reason to believe they had violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. On October , 1984, the Commission determined that there is reason to believe that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, violated 2 U.S.C. § 441a(f). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, your clients have an opportunity to demonstrate that no action should be taken against them. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit such materials along with your clients' response to the enclosed Order to Answer Questions/Subpoena to Produce Documents. It is required that the information be submitted under oath and within ten days of your receipt of the subpoena/order.

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

Letter to Robert A. Sugarman
Page 2

If you have any questions, please contact Marybeth Tarrant,
the staff member assigned to this matter, at (202)523-4143.

Sincerely,

Enclosures

Subpoena/Order

Questions

General Counsel's Factual and Legal Analysis

Procedures

85040523840

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FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR NO. 1727
STAFF MEMBER(S) & TEL. NO.
Marybeth Tarrant
(202) 523-4143

RESPONDENTS Electro PAC 323
George L. Hudspeth, Jr., Treasurer

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

SUMMARY OF ALLEGATIONS

It is alleged that Electro PAC 323 and George L. Hudspeth, Jr., as treasurer, violated 2 U.S.C. § 441a(a)(1)(C) by making an excessive contribution to Sheetmetal PAC 130.

FACTUAL BASIS AND LEGAL ANALYSIS

This matter was referred to the Office of the General Counsel by the Reports Analysis Division ("RAD"). On June 18, 1984, the Commission voted to open a MUR and found reason to believe that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, and Ray Advertising violated 2 U.S.C. § 441b(a). In addition, the Commission authorized the sending of subpoenas/orders to Sheetmetal PAC 130, Ray Advertising and Sheet Metal Workers Local Union No. 130. On August 2 and 20, 1984, responses were filed in answer to the subpoenas/orders. See Attachment 1.

This matter concerns a \$13,000 payment which Sheetmetal PAC 130 received on August 23, 1982, from Ray Advertising, an incorporated entity. In November 1983, a RFAI was sent by RAD

Attachment 7

questioning the appearance of a \$13,000 corporate contribution. While a response was received stating that the contribution would be refunded, counsel for Sheetmetal PAC 130 told a RAD analyst over the phone that the money was not a contribution but rather a refund for prepaid unused advertising. Counsel stated that several unions had financed advertising on behalf of federal and state candidates through Ray Advertising but that the funds were not used. When questioned by the RAD analyst in subsequent conversations regarding these statements, counsel refused to elaborate and simply indicated that the money was refunded on January 19, 1984. As Sheetmetal PAC had not made any payments to Ray Advertising previously, questions arose concerning the \$13,000 and what sort of advertising was involved.

Responses to our questions indicate that, at the direction of George L. Hudspeth, Jr., treasurer of Electro PAC 323, a registered political committee, Ray Advertising was instructed to refund the \$13,000 to Sheetmetal PAC 130 instead of Electro PAC 323 which had originally paid for the advertising. When Sheetmetal PAC 130 later refunded the money to Ray Advertising, Ray Advertising immediately refunded the money to Electro PAC 323. Sheetmetal PAC 130 did not participate in the securing of advertising, and there was no explanation as to why Electro PAC instructed Ray Advertising to refund \$13,000 to Sheetmetal PAC 130.

Counsel for the Respondents is claiming that the term "contribution" was used inadvertently when disclosing the \$13,000 payment from Ray Advertising and is now characterizing the

transaction as a loan from Electro PAC 323 to Sheetmetal PAC 130. Counsel has stated that Sheetmetal PAC 130 is willing to amend its appropriate reports to reflect this transaction as a loan which was repaid. No explanation was given as to why the "loan" was made.

A review of Electro PAC and Sheetmetal PAC's reports (see Attachments 2 and 3) reveal the following transactions:

<u>Date</u>	<u>Payer</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose*</u>
4/2/82	Electro PAC	Ray Advertising	\$60,000**	purchase of radio & TV time
8/18/82	Ray Advertising	Electro PAC	\$38,890	refund
8/23/82	Ray Advertising	Electro PAC	\$ 7,000	refund
8/23/82	Sheetmetal PAC	Electro PAC	\$ 5,000	contribution
8/23/82	Electro PAC	Ray Advertising	\$12,955.44	newspaper ad
8/23/82	Ray Advertising	Sheetmetal PAC	\$13,000	contribution
1/16/84	Electro PAC	Sheetmetal PAC	\$ 3,000	contribution
1/19/84	Sheetmetal PAC	Ray Advertising	\$13,000	refund
1/24/84	Ray Advertising	Electro PAC	\$13,000	refund

* As reported by the committees

** It is noted that in addition to this \$60,000 and the \$12,955.44 payment listed below, Electro PAC paid Ray Advertising in 1982 a total of \$36,074.73 on various dates for various types of advertising.

As shown above, Electro PAC 323 paid Ray Advertising \$60,000 in 1982 for advertising which was not used and obtained refunds totalling \$45,890. Out of the \$14,110 remaining, \$13,000 was apparently given to Sheetmetal PAC 130 at the request of Electro PAC. It is not clear what happened to the \$1,110 left over. In addition, it is not clear why Sheetmetal PAC 130 contributed \$5,000 to Electro PAC 323 on the same date it received a \$13,000 "loan" from Electro PAC or why Electro PAC made a payment of approximately \$13,000 to Ray Advertising at the same time it instructed Ray Advertising to make a payment of \$13,000 to Sheetmetal PAC.

Pursuant to 2 U.S.C. § 441a(a)(1)(C), a person is prohibited from making contributions to a political committee, other than an authorized committee or a national political party committee, in any calendar year which, in the aggregate, exceed \$5,000.

Pursuant to 2 U.S.C. § 431(8)(A)(i), the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. Under 2 U.S.C. § 431(11), the term "person" includes a committee. Although counsel claims that the \$13,000 covered Sheetmetal PAC 130's non-federal contributions and operating expenditures, the committee did support federal candidates and did make contributions to other political action committees in 1982. Pursuant to 11 C.F.R. § 102.5(a), organizations which finance political activity in connection with both federal and non-federal elections and which qualify as a political committee shall either establish a separate federal account or establish a political committee which shall receive only contributions subject to the prohibitions and limitations of the Act, regardless of whether such contributions are for use in connection with federal or non-federal elections. As Sheetmetal PAC 130 did not establish a separate federal account, it is required to accept only those contributions permitted by the Act. Pursuant to 2 U.S.C. § 441a(f), a political committee is prohibited from knowingly accepting a contribution in violation of the limitations set forth in section 441a. It is apparent that Sheetmetal PAC 130 was aware that the

\$13,000 it received from Ray Advertising was in excess of the limitations and should have been refunded to Electro PAC 323.

Counsel's characterization of the transaction as a loan from Electro PAC to Sheetmetal PAC does not alter the fact that an excessive contribution was made and accepted. Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(A), a loan which exceeds the contribution limitations of 2 U.S.C. § 441a shall be unlawful whether or not it is repaid. Under 2 U.S.C. § 431(8)(A) and 11 C.F.R. § 100.7(a)(1)(i)(B), a loan is a contribution at the time it is made and is a contribution to the extent that it remains unpaid.

Based on the above facts, the Office of the General Counsel recommends that the Commission find reason to believe that Electro PAC 323 and George L. Hudspeth, Jr., as treasurer, violated 2 U.S.C. § 441a(a)(1)(C).

Attachments

1. Response filed by Sheetmetal PAC 130
2. Pages of reports filed by Electro PAC 323
3. Pages of reports filed by Sheetmetal PAC 130

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR No. 1727
STAFF MEMBER(S) & TEL. NO.
Marybeth Tarrant
(202) 523-4143

RESPONDENTS Sheetmetal PAC 130
Roger L. Hudspeth, Sr., Treasurer

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

SUMMARY OF ALLEGATIONS

It is alleged that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, violated 2 U.S.C. § 441a(f) by accepting an excessive contribution from Electro PAC 323.

FACTUAL BASIS AND LEGAL ANALYSIS

This matter was referred to the Office of the General Counsel by the Reports Analysis Division ("RAD"). On June 18, 1984, the Commission voted to open a MUR and found reason to believe that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, and Ray Advertising violated 2 U.S.C. § 441b(a). In addition, the Commission authorized the sending of subpoenas/orders to Sheetmetal PAC 130, Ray Advertising and Sheet Metal Workers Local Union No. 130. On August 2 and 20, 1984, responses were filed in answer to the subpoenas/orders. See Attachments 1 and 2.

This matter concerns a \$13,000 payment which Sheetmetal PAC 130 received on August 23, 1982, from Ray Advertising, an incorporated entity. In November 1983, a RFAI was sent by RAD

questioning the appearance of a \$13,000 corporate contribution. While a response was received stating that the contribution would be refunded, counsel for Sheetmetal PAC 130 told a RAD analyst over the phone that the money was not a contribution but rather a refund for prepaid unused advertising. Counsel stated that several unions had financed advertising on behalf of federal and state candidates through Ray Advertising but that the funds were not used. When questioned by the RAD analyst in subsequent conversations regarding these statements, counsel refused to elaborate and simply indicated that the money was refunded on January 19, 1984. As Sheetmetal PAC had not made any payments to Ray Advertising previously, questions arose concerning the \$13,000 and what sort of advertising was involved.

Responses to our questions indicate that, at the direction of George L. Hudspeth, Jr., treasurer of Electro PAC 323, a registered political committee, Ray Advertising was instructed to refund the \$13,000 to Sheetmetal PAC 130 instead of Electro PAC 323 which had originally paid for the advertising. When Sheetmetal PAC 130 later refunded the money to Ray Advertising, Ray Advertising immediately refunded the money to Electro PAC 323. Sheetmetal PAC 130 did not participate in the securing of advertising, and there was no explanation as to why Electro PAC instructed Ray Advertising to refund \$13,000 to Sheetmetal PAC 130.

Counsel for the Respondents is claiming that the term "contribution" was used inadvertently when disclosing the \$13,000

payment from Ray Advertising and is now characterizing the transaction as a loan from Electro PAC 323 to Sheetmetal PAC 130. Counsel has stated that Sheetmetal PAC 130 is willing to amend its appropriate reports to reflect this transaction as a loan which was repaid. No explanation was given as to why the "loan" was made.

A review of Electro PAC and Sheetmetal PAC's reports (see Attachments 3 and 4) reveal the following transactions:

<u>Date</u>	<u>Payer</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose*</u>
4/2/82	Electro PAC	Ray Advertising	\$60,000**	purchase of radio & TV time
8/18/82	Ray Advertising	Electro PAC	\$38,890	refund
8/23/82	Ray Advertising	Electro PAC	\$ 7,000	refund
8/23/82	Sheetmetal PAC	Electro PAC	\$ 5,000	contribution
8/23/82	Electro PAC	Ray Advertising	\$12,955.44	newspaper ad
8/23/82	Ray Advertising	Sheetmetal PAC	\$13,000	contribution
1/16/84	Electro PAC	Sheetmetal PAC	\$ 3,000	contribution
1/19/84	Sheetmetal PAC	Ray Advertising	\$13,000	refund
1/24/84	Ray Advertising	Electro PAC	\$13,000	refund

* As reported by the committees

** It is noted that in addition to this \$60,000 and the \$12,955.44 payment listed below, Electro PAC paid Ray Advertising in 1982 a total of \$36,074.73 on various dates for various types of advertising.

As shown above, Electro PAC 323 paid Ray Advertising \$60,000 in 1982 for advertising which was not used and obtained refunds totalling \$45,890. Out of the \$14,110 remaining, \$13,000 was apparently given to Sheetmetal PAC 130 at the request of Electro PAC. It is not clear what happened to the \$1,110 left over. In addition, it is not clear why Sheetmetal PAC 130 contributed \$5,000 to Electro PAC 323 on the same date it received a \$13,000 "loan" from Electro PAC or why Electro PAC made a payment of approximately \$13,000 to Ray Advertising at the same time it

instructed Ray Advertising to make a payment of \$13,000 to Sheetmetal PAC.

Pursuant to 2 U.S.C. § 441a(a)(1)(C), a person is prohibited from making contributions to a political committee, other than an authorized committee or a national political party committee, in any calendar year which, in the aggregate, exceed \$5,000. Pursuant to 2 U.S.C. § 431(8)(A)(i), the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. Under 2 U.S.C. § 431(11), the term "person" includes a committee. Although counsel claims that the \$13,000 covered Sheetmetal PAC 130's non-federal contributions and operating expenditures, the committee did support federal candidates and did make contributions to other political action committees in 1982. Pursuant to 11 C.F.R. § 102.5(a), organizations which finance political activity in connection with both federal and non-federal elections and which qualify as a political committee shall either establish a separate federal account or establish a political committee which shall receive only contributions subject to the prohibitions and limitations of the Act, regardless of whether such contributions are for use in connection with federal or non-federal elections. As Sheetmetal PAC 130 did not establish a separate federal account, it is required to accept only those contributions permitted by the Act. Pursuant to 2 U.S.C. § 441a(f), a political committee is prohibited from knowingly accepting a

contribution in violation of the limitations set forth in section 441a. It is apparent that Sheetmetal PAC 130 was aware that the \$13,000 it received from Ray Advertising was in excess of the limitations and should have been refunded to Electro PAC 323.

Counsel's characterization of the transaction as a loan from Electro PAC to Sheetmetal PAC does not alter the fact that an excessive contribution was made and accepted. Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(A), a loan which exceeds the contribution limitations of 2 U.S.C. § 441a shall be unlawful whether or not it is repaid. Under 2 U.S.C. § 431(8)(A) and 11 C.F.R. § 100.7(a)(1)(i)(B), a loan is a contribution at the time it is made and is a contribution to the extent that it remains unpaid.

Based on the above facts, the Office of the General Counsel recommends that the Commission find reason to believe that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, violated 2 U.S.C. § 441a(f).

Attachments

1. Response of August 2, 1984
2. Response of August 20, 1984
3. Pages of reports filed by Electro PAC 323
4. Pages of reports filed by Sheetmetal PAC 130

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LAW OFFICES

KAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL
SUSSKIND, BLOOM & DE CASTRO

PROFESSIONAL ASSOCIATION
1861 NORTHWEST 17th AVENUE
P.O. DRAWER 520337

MIAMI, FLORIDA 33152
(305) 325-1881

WEST PALM BEACH OFFICE
SUITE 200 FORUM II
1875 PALM BEACH LAKES BOULEVARD
WEST PALM BEACH, FLORIDA 33401
(305) 583-9400

FORT LAUDERDALE OFFICE
1186 S.E. 2nd AVENUE
FORT LAUDERDALE, FLORIDA 33316
(305) 487-1388

STEVEN BLOOM
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ALFREDO F. DE CASTRO
General Practice
NEAL L. GANON
PATRICK G. HELM
General Practice
ARNOLD D. HESSEN
Personal Injury and Wrongful Death
Family Law
JOSEPH H. KAPLAN
Labor Law
GERALD A. ROSENTHAL
Worker's Compensation
SHARON M. SABEL
General Practice
ROBERT SCHMIDT
Personal Injury and Wrongful Death
Family Law
RICHARD A. SICKING
Worker's Compensation
Administrative and Governmental Law
RICHARD P. SIWICA
ROBERT T. STRAIN
General Practice
ROBERT A. SUGARMAN
Labor Law
HOWARD S. SUSSKIND
Labor Law

August 13, 1984

REPLY TO:

Ft. Lauderdale

GCC
#4373

Marybeth Tarrant
General Counsel's Office
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1727

Dear Ms. Tarrant:

Enclosed please find the notarized statement of Robert L. Ray, Sr., President of Ray Advertising, Inc., respondent in the above-numbered case.

The purpose of this signed statement is to supplement Mr. Ray's answers to the questions propounded in the Commission's Order dated June 19, 1984.

The June 19th Order directed Mr. Ray to answer 7 questions propounded by the Commission. Question number 6 asked Mr. Ray to provide copies of all agreements between his firm and any unions or their PACs concerning the 1982 election campaign of any federal candidates. After reviewing his files, Mr. Ray found that he had no written contracts at that time with any unions or PACs and his enclosed statement so attests.

We look forward to a response to our letter of July 27, 1984 which set forth our clients' position in this matter.

Yours truly,

Robert A. Sugarman
ROBERT A. SUGARMAN

RAS:dre
cc: Roger Hudspeth
cc: George Hudspeth
cc: Robert L. Ray, Sr.,

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August 2, 1984

Robert A. Sugarman
Attorney at Law
1951 Northwest 17th Ave.
P.O. Drawer 520337
Miami, Fl. 33152

Dear Mr. Sugarman:

Please be advised that we had no contracts in 1982 between Ray Advertising, Inc. and any PACs.

Sincerely,

Robert L. Ray
Robert L. Ray

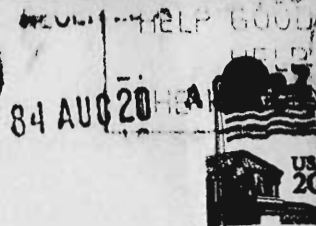
RLR:cl

Rudy A. Ward
8/3/84

Notary Public, State of Florida at Large
My Commission Expires Jan. 28, 1988
BONDED THRU HUCKLEBERRY, SIBLEY
& HARVEY INSURANCE & BONDS, INC.

KAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL
SUSSKIND, BLOOM & DE CASTRO, P.A.

1136 SOUTHEAST 3rd AVENUE
FORT LAUDERDALE, FLORIDA 33316



Marybeth Tarrant
General Counsel's Office
Federal Election Commission
Washington, D.C. 20463

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LAW OFFICES

KAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL
SUSSKIND, BLOOM & DE CASTRO

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STEVEN BLOOM
Labor Law
ALFREDO F. DE CASTRO
General Practice
NEAL L. GANON
PATRICK O. HELM
General Practice
ARNOLD D. HESSEN
Personal Injury and Wrongful Death
Family Law
JOSEPH H. KAPLAN
Labor Law
GERALD A. ROSENTHAL
Worker's Compensation
SHARON M. SABEL
General Practice
ROBERT SCHMIDT
Personal Injury and Wrongful Death
Family Law
RICHARD A. SICKING
Worker's Compensation
Administrative and Governmental Law
RICHARD P. SIWICA
ROBERT T. STRAIN
General Practice
ROBERT A. SUGARMAN
Labor Law
HOWARD S. SUSSKIND
Labor Law

PROFESSIONAL ASSOCIATION
1951 NORTHWEST 17th AVENUE
P.O. DRAWER 520337
MIAMI, FLORIDA 33152
(305) 326-1861

WEST PALM BEACH OFFICE
SUITE 200 FORUM II
1675 PALM BEACH LAKES BOULEVARD
WEST PALM BEACH, FLORIDA 33401
(305) 663-8400

FORT LAUDERDALE OFFICE
1136 S.E. 2nd AVENUE
FORT LAUDERDALE, FLORIDA 33316
(305) 467-1386

July 27, 1984

REPLY TO:

Ft. Lauderdale

Marybeth Tarrant
General Counsel's Office
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1727

Dear Ms. Tarrant:

This firm represents Sheetmetal Pac 130, Roger L. Hudspeth, Sr., its Treasurer, Ray Advertising, Inc., and Robert L. Ray, Sr., its President. Each of these clients is a named Respondent in MUR 1727. We also represent Sheetmetal Workers International Association Local Union No. 130 to which the Commission has issued an Order to Submit Written Answers. We apologize for the length of time it has taken to respond to the Commission's communications to our client. However, due to the number of letters and requests sent to our client, it has taken us time to assemble the necessary information.

The Commission sent written questions to Mr. Ray and Mr. Hudspeth. Attached are affidavits from both Messrs. Ray and Hudspeth responding fully to all questions posed by the Commission. Mr. Hudspeth has also answered the questions asked of the President of Sheetmetal Workers Local 130. As explained in Mr. Hudspeth's affidavit, Mr. Hudspeth was the chief executive officer of local 130 and has personal knowledge of the matters involved herein. The union president is not a full-time union officer and has no personal firsthand knowledge of the events questioned.

85040523854

July 27, 1984

Our respondents feel that no further action should be taken by the Commission in light of the following circumstances. The \$13,000 paid by Ray Advertising to Sheetmetal PAC Local 130 was a refund of pre-paid television advertising that was not used. My characterization of this refund as a "contribution" in earlier correspondence was inadvertent. The copy of Ray Advertising's check number 3374 attached to Mr. Ray's affidavit clearly designates the payment as a "refund".

Since the payment by Ray Advertising was a "refund" and not a contribution, it should not have been counted as a contribution on line 11(c) of Sheetmetal PAC 130's October 15, 1982 quarterly report. The error is obvious because line 11(b) concerns contributions from "other political committees." It is obvious that Ray Advertising, Inc., is not a "political committee."

When this error was discovered by the Commission analyst, the \$13,000 was refunded by Sheetmetal PAC 130 to Ray Advertising. A copy of Sheetmetal PAC 130's check #1099 in the sum of \$13,000 is attached to this letter. When the funds were returned to Ray Advertising by Sheetmetal PAC 130, Ray Advertising sent them Electro PAC 323 on January 24, 1984. A copy of Ray Advertising's check #5833 is attached.

Based upon the above, the respondents contend that Ray Advertising refunded the unused television advertising money to Sheetmetal PAC 130 instead of Electro PAC Local 323. When the error was discovered by the Commission analyst, Sheetmetal PAC Local 130 returned the erroneous refund to Ray Advertising who refunded it to Electro PAC 323. As Mr. Ray's affidavit points out, George L. Hudspeth, Jr., who is an officer of Electro PAC 323, requested Mr. Ray to make the refund to Sheetmetal PAC Local 130 instead of to Electro PAC 323.

Based upon these facts, it appears that the refund made by Ray Advertising to Sheetmetal PAC 130, instead of to Electro PAC 323, is a loan from Electro PAC 323 to Sheetmetal PAC 130. The loan was made on August 20, 1983 when Ray Advertising made the \$13,000 refund to Sheetmetal PAC Local 130. The loan was repaid by Sheetmetal PAC Local 130 on January 19, 1984 when it returned the \$13,000 to Ray Advertising which immediately forwarded the \$13,000 to Electro PAC 323.

Respondent Ray Advertising therefore contends that it did not violate the act since it was merely holding the money in its

85040523855

July 27, 1984

account as a bailee or legal trustee. They refunded the \$13,000 to Sheetmetal PAC Local 130 at the instruction of George Hudspeth. When the money was payed back to Ray Advertising by Sheetmetal PAC 130 it was immediately refunded to Electro PAC 323. At no time were Ray Advertising's own funds involved.

Sheetmetal PAC Local 130 contends that the loan was not a contribution as defined by 11 CFR §100.7(a)(1) which, in relevant part, defines the contribution as a loan "made by any person for the purpose of influencing any election for federal office..." Sheetmetal PAC 130's October 15th quarterly report shows that, during the quarter, it made contributions of \$10,215 to non-federal candidates. It also had incurred \$1,721.98 in operating expenditures for the year and had \$3,594.23 in cash on hand. Thus, the \$13,000 "loan" covered Sheetmetal PAC 130's non-federal contributions, operating expenditures, and "cash on hand." Added together, these more than exceed the \$13,000 "loan."

Alternately, Sheetmetal PAC Local 130 contends that the "loan", even if it was considered a contribution from either Ray Advertising or Electro PAC 323, was no longer a loan on June 18, 1984, when the Commission determined that there is a reason to believe that the respondents violated the Act. 11 CFR §100.7(a)(1)(a)(B) provides "a loan to the extent it is repaid, is no longer a contribution." Thus, on June 18, 1984, the loan had been fully repaid. In fact, it had been fully repaid on January 19, 1984, and could therefore no longer be considered a "contribution" after that date.

For the above reasons, the respondents contend that they did not violate the Act. However, should the Commission disagree, the respondents are willing to enter into a conciliation agreement. Specifically, Sheetmetal PAC 130 and its Treasurer, Roger L. Hudspeth, Sr., are willing to file amended reports for the last two quarters of 1982, all of 1983, and the first quarter of 1984 to reflect the above transaction as a loan which was repaid. Ray Advertising, Inc., and its President, Robert L. Ray, Sr., did not feel they violated the Act at all since the corporation did not make a contribution or in any way benefit or profit from this transaction. However, to amicably settle this matter, the corporation is willing to enter into a conciliation agreement which will provide that any refunds in the future made to federally registered separate segregated funds will only be made to the funds from which the payments were received.

85040523856

Marybeth Tarrant

-4-

July 27, 1984

I hope that the above explanation finally clears this up. My fuller investigation of this rather complicated transaction made after my correspondence to the Commission analyst shows the correct nature of the transaction and, in our opinion does not warrant further action by the Commission.

We look forward to your reply.

Yours truly,

Robert A. Sugarman

ROBERT A. SUGARMAN

RAS:dre

Encls

cc: Roger Hudspeth

cc: George L. Hudspeth

85040523857

3474 36

714 N.E. 8TH STREET
DELRAY BEACH, FLORIDA 33444

714 N.E. 8TH STREET

— 325 —

PAY

DATE

TO THE ORDER OF

ELECTNO PAC 323

**Florida National Bank & Trust Company at West Palm Beach
WEST PALM BEACH, FLORIDA**

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"0001300000"

PRAY ADVERTISING, INC.

Robert D. Casper

40-565-21

REMITTANCE ADVICE

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85040523859

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1727

NAME OF COUNSEL: Robert Sugarman

ADDRESS: 1136 SO. E. 3rd Ave.
FT. LAUDERDALE, FL
33316

TELEPHONE: _____

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

June 26th 84
Date

Robert L. Ray
Signature

RESPONDENT'S NAME: Robert L. Ray

ADDRESS: 714 N.E. 8th St.
Delray Beach, FL
#33444

Buo.
~~HOME~~ PHONE: 305 (737-1914)
Home
~~BUSINESS~~ PHONE: 582-0552

85040523860

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheetmetal PAC 130) MUR 1727
Roger L. Hudspeth, Sr., Treasurer)
Ray Advertising)
)

A F F I D A V I T

STATE OF FLORIDA
COUNTY OF PALM BEACH

Pursuant to the Orders to Submit Written Answers dated June 19 & 20, 1984, Roger L. Hudspeth, Sr., after being duly sworn, states:

1. I am the Treasurer of Sheetmetal PAC 130 and was the Business Manager and Financial Secretary-Treasurer of Sheetmetal Workers International Association Local Union No. 130. As Business Manager and Financial Secretary-Treasurer of Local 130 I was the chief executive officer of Local 130. As such, I am answering the questions propounded to the President of Local 130. The local union president is not a full-time union official and has no personal first hand knowledge of the events questioned. On May 1, 1984, Local 130 merged with Local 223 to form Local 32 of which I am Business Representative. I am neither the Business Manager nor chief executive officer of Local 223.

2. As chief executive officer of Local 130, I respond to the questions posed to the President of Local 130 as follows:

1. No.

2. No.

3. As Treasurer of Sheetmetal PAC 130, my answers to the questions are:

85040523861

1. No.

2. a) It was listed in error on the same sheet as contributions from other political committees. Ray Advertising is not a political committee.

b) Refund of prepaid television advertising that was not used.

3. No.

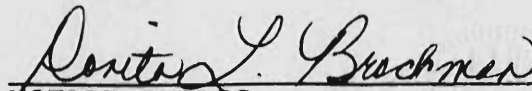
4. Mr. Sugarman was mistaken in using the term contribution.

5. Yes.



ROGER L. HUDSPETH, SR.

Sworn to and subscribed before me in West Palm Beach, Palm Beach County, Florida, on this 9th day of July, 1984.



NOTARY PUBLIC

MY COMMISSION EXPIRES:

Notary Public, State of Florida
My Commission Expires March 15, 1985
Bonded thru Fidelity Insurance, Inc.

85040523862

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Sheetmetal PAC 130)

Roger L. Hudspeth, Sr., Treasurer)

Ray Advertising)

MUR 1727

A F F I D A V I T

STATE OF FLORIDA
COUNTY OF PALM BEACH

Pursuant to the Subpoena and Order dated June 19, 1984,
Robert L. Ray, after being duly sworn, states:

1. I am the President of Ray Advertising, Inc., and
have been President since its incorporation in 1981.

2. My answers to the Questions attached to the
June 19, 1984 Order are as follows:

1. No.

2. Refund of prepaid but unused television
advertising expenditures.

3. Yes, for the Sheetmetal PAC 130.

4. No. (d) I was instructed by George L. Hudspeth, Jr.,
to refund \$13,000 to Sheetmetal Pac 130.

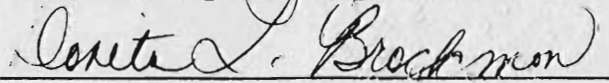
5. (No question #5).

6. Copies of all contracts and agreements will
be forwarded under separate cover.

7. Copy of check #3374 attached.


ROBERT L. RAY

Sworn to and subscribed before me in West Palm Beach,
Palm Beach County, Florida, on this 9th day of July, 1984.


NOTARY PUBLIC

MY COMMISSION EXPIRES:

Notary Public, State of Florida
My Commission Expires March 15, 1985
Bonded thru Fidelity Insurance, Inc.

850405238663

For Deposit
44 2405253

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Beach County
ALM BEACH, FLA.
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P. E. G. FLORIDA NATL. BANK
BEACH COUNTY
ALM BEACH, FLA.

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714 N.E. 8TH STREET
DELRAY BEACH, FLORIDA 33444

PAY

for head start and 10 min

DATE

TO THE ORDER OF

1/19/84 ELECTRO PAC 323

FEB

GROSS AMOUNT

FED.

FICA

COMM DISC.

NET AMOUNT

DESCRIPTION

13000.00

---DOLLARS

REMITTANCE ADVICE

REIMBURSEMENT	OF PRE-PAID	UNPAID
UNPAID	TV	12
		1983

5833

63-533
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Florida National Bank & Trust Company at West Palm Beach
WEST PALM BEACH, FLORIDA

RAY ADVERTISING, INC.

Robert A. Ray

⑆067005336⑆ 4 03 32⑆ 2⑆

⑆0001300000⑆

59832504058

8 5 0 4 0 5 2 3 8 6
JEREN, SUMERMAN, ROSENTHAL
BLOOM & DE CASTRO, P.A.

1138 SOUTHEAST 3rd AVENUE
FORT LAUDERDALE, FLORIDA 33316

Marybeth Tarrant
General Counsel's Office
Federal Election Commission
Washington, D.C. 20463



604 3973
RECEIVED AT THE REC

LAW OFFICES

KAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL
SUSSKIND, BLOOM & DE CASTRO

PROFESSIONAL ASSOCIATION
1951 NORTHWEST 17th AVENUE
P.O. DRAWER 520337

MIAMI, FLORIDA 33152
(305) 325-1061

WEST PALM BEACH OFFICE -
SUITE 200 FORUM III
1675 PALM BEACH LAKES BOULEVARD
WEST PALM BEACH, FLORIDA 33401
(305) 683-9400

FORT LAUDERDALE OFFICE
1138 S.E. 3rd AVENUE
FORT LAUDERDALE, FLORIDA 33316
(305) 467-1366

STEVEN BLOOM
Labor Law
ALFREDO F. DE CASTRO
General Practice
NEAL L. GANON
PATRICK O. HELM
General Practice
ARNOLD D. HESSEN
Personal Injury and Wrongful Death
Family Law
JOSEPH H. KAPLAN
Labor Law
GERALD A. ROSENTHAL
Worker's Compensation
SHARON M. SABEL
General Practice
ROBERT SCHWIMMEL
Personal Injury and Wrongful Death
Family Law
RICHARD A. SICKING
Worker's Compensation
Administrative and Governmental Law
RICHARD P. SIWICA
ROBERT T. STRAIN
General Practice
ROBERT A. SUGARMAN
Labor Law
HOWARD S. SUSSKIND
Labor Law

July 5, 1984

REPLY TO:

Ft. Lauderdale

Marybeth Tarrant
Office of the General Counsel
Federal Elections Commission
Washington, D.C. 20463

Re: MUR 1727

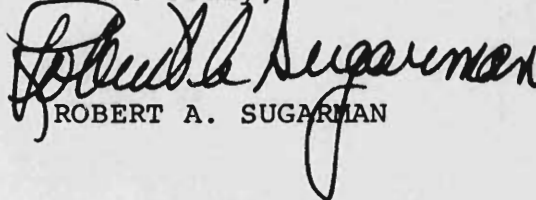
Dear Ms. Tarrant:

This firm represents Sheet Metal PAC 130, Roger L. Hudspeth, Sr., its Treasurer, Ray Advertising, and Robert Ray, Sr., its President, respondents in MUR 1727. We also represent Sheet Metal Workers Local Union No. 130 to which the Commission has issued a subpoena to produce documents and an order to submit written answers.

The Commission's letters of June 20, 1984 have been referred to us for reply by our clients. We regret that we will be unable to respond within the 10 days requested by the letter. Due to other commitments and the July 4th holiday, it is impossible for us to respond by that time. However, we are meeting with all persons involved on Monday, July 9th and hope to have a response sent to you shortly thereafter. We will recommend to our clients that they make an offer to conciliate this matter with the Commission.

We ask your forbearance while we have an opportunity to consult with our clients and to formulate an offer of conciliation. Hopefully we will be back in touch with you within the next week to 10 days.

Yours truly,


ROBERT A. SUGARMAN

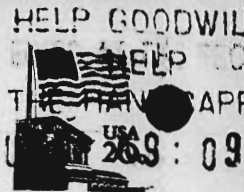
RAS:dre

cc: Roger Hudspeth
Robert Ray, Sr.

85040523867

PLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL
SUSSKIND, BLOOM & DE CASTRO, P.A.

1136 SOUTHEAST 3rd AVENUE
FORT LAUDERDALE, FLORIDA 33316



Marybeth Tarrant
Office of the General Counsel
Federal Elections Commission
Washington, D.C. 20463



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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

84 JUN 20 A 9: 17

June 20, 1984

SENSITIVE

MEMORANDUM TO: The Commission
FROM: Charles N. Steele
General Counsel
By: Kenneth A. Gross
Associate General Counsel
SUBJECT: RAD Referral 84L-13

On June 18, 1984 the Commission approved the recommendation that the subject RAD Referral be made a MUR. Therefore, all documents which had previously been identified as RAD Referral 84L-13 should now become MUR 1727.

Attachment
Copy of Certification

85040523869

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheetmetal PAC 130) RAD Referral
) #84L-13
Roger L. Hudspeth, Sr., Treasurer)
Ray Advertising)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 18, 1984, the Commission decided by a vote of 6-0 to take the following actions in RAD Referral #84L-13:

1. Open a MUR.
2. Find reason to believe that the Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, and Ray Advertising violated 2 U.S.C. § 441b(a).
3. Authorize the subpoena/orders and cover letters to Sheetmetal PAC 130, Ray Advertising and Sheet Metal Workers International Association Local Union No. 130, as submitted with the First General Counsel's Report dated June 14, 1984.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry and Reiche voted affirmatively in this matter.

Attest:

6-19-84

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary:
Circulated on 48 hour tally basis:

6-14-84, 10:26
6-14-84, 4:00

85040523870

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheetmetal PAC 130) RAD Referral
) #84L-13
Roger L. Hudspeth, Sr., Treasurer)
Ray Advertising)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 18, 1984, the Commission decided by a vote of 6-0 to take the following actions in RAD Referral #84L-13:

1. Open a MUR.
2. Find reason to believe that the Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, and Ray Advertising violated 2 U.S.C. § 441b(a).
3. Authorize the subpoena/orders and cover letters to Sheetmetal PAC 130, Ray Advertising and Sheet Metal Workers International Association Local Union No. 130, as submitted with the First General Counsel's Report dated June 14, 1984.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry and Reiche voted affirmatively in this matter.

Attest:

6-19-84

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary:
Circulated on 48 hour tally basis:

6-14-84, 10:26
6-14-84, 4:00

85040523871



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 20, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

President
Sheet Metal Workers International
Association Local Union No. 130
P.O. Box 2465
West Palm Beach, Florida 33402

Re: MUR 1727

Dear Sir or Madam:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, Internal Revenue Code of 1954. In connection with an investigation being conducted by the Commission, the attached order which requires you provide certain information has been issued. The Commission does not consider you a respondent in this matter; but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. That section of the Act prohibits the making public of any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order. However, you are required to submit the information under oath within ten days of your receipt of this order.

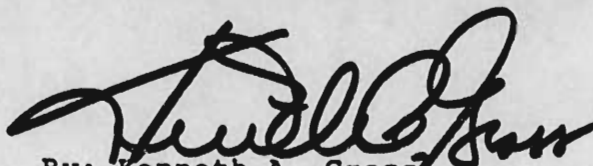
85040523872

Letter to President
Page 2

If you have any questions, please direct them to Marybeth Tarrant, the staff member handling this matter, at (202)523-4000.

Sincerely,

Charles N. Steele
General Counsel



By: Kenneth A. Gross
Associate General Counsel

Enclosures
Order
Questions

8 5 0 4 0 5 2 3 8 7 3

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Sheetmetal PAC 130)

Roger L. Hudspeth, Sr., Treasurer)

Ray Advertising)

MUR 1727

ORDER TO SUBMIT WRITTEN ANSWERS

TO: President

Sheet Metal Workers International Association

Local Union No. 130

P.O. Box 2465

West Palm Beach, Florida 33402

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within ten (10) days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand in Washington, D.C. on this *20th* day of *June*, 1984.

Lee Ann Elliott

Lee Ann Elliott
Chairman

ATTEST:

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Attachment

85040523874

QUESTIONS PURSUANT TO ORDER

TO: President
Sheet Metal Workers International Association
Local Union No. 130 ("Local 130")

RE: Matter Under Review 1727

On December 26, 1983, attorney Robert A. Sugarman, representing Sheetmetal PAC 130, told a Reports Analysis Division analyst that the \$13,000 accepted by Sheetmetal PAC 130 from Ray Advertising was not a contribution. Instead, Mr. Sugarman stated that several local unions had financed advertising on behalf of federal and state candidates through Ray Advertising and that whatever money was left over (\$13,000) was refunded to Sheetmetal PAC 130.

1. Did Local 130 accept \$13,000 from Ray Advertising in 1982?
 - a) If so, explain the reason Ray Advertising gave Local 130 \$13,000.
 - b) If so, state whether Local 130 transferred the \$13,000 to Sheetmetal PAC 130 and explain why this was done.
2. Did Local 130 participate in the securing of advertising on behalf of federal candidates through Ray Advertising for the 1982 election campaign?
 - a) If so, describe that participation.
 - b) If so, please state the names of the federal candidates involved.
 - c) If so, please state whether other local unions and/or their political action committees ("PACs")

85040523875

were involved in securing such advertising, state the names of those unions and/or PACs, describe their involvement and how much each contributed.

d) If so, please state how much money Local 130 contributed to this effort.

85040523876



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 20, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Roger L. Hudspeth, Sr., Treasurer
Sheetmetal PAC 130
P.O. Box 2465
West Palm Beach, Florida 33402

Re: MUR 1727
Sheetmetal PAC 130
Roger L. Hudspeth, Sr., Treasurer

Dear Mr. Hudspeth:

On June 18, 1984, the Federal Election Commission determined that there is reason to believe that Sheetmetal PAC 130 and you as treasurer, violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your response to the enclosed Order to Answer Questions.

You may consult with an attorney and have an attorney assist you in the preparation of your response to this order. If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel and authorizing such counsel to receive any notifications or other communications from the Commission. It is required that you submit the information under oath and that you so do within ten days of your receipt of this order.

85040523877

Letter to Roger L. Hudspeth, Sr.,
Page 2

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

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Marybeth Tarrant, the staff member assigned to this matter, at (202)523-4000.

Sincerely,


Lee Ann Elliott
Chairman

Enclosures

Order with two pages of questions
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Form

85040523878

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheetmetal PAC 130) MUR 1727
Roger L. Hudspeth, Sr.,)
Treasurer)
Ray Advertising)

ORDER TO SUBMIT WRITTEN ANSWERS

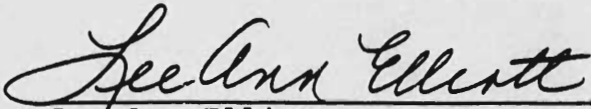
To: Roger L. Hudspeth, Sr.
Treasurer, Sheetmetal PAC 130
P.O. Box 2465
West Palm Beach, Florida 33402

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within ten days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand in Washington, D.C. on this 19th day of

June, 1984.



Lee Ann Elliott
Chairman

ATTEST:



Marjorie W. Emmons
Secretary to the Commission

Attachment

85040523879

QUESTIONS PURSUANT TO ORDER

TO: Roger L. Hudspeth, Sr.

RE: Matter Under Review 1727

On December 26, 1983, attorney Robert A. Sugarman, representing Sheetmetal PAC 130, told a Reports Analysis Division analyst that the \$13,000 accepted by Sheetmetal PAC 130 from Ray Advertising was not a contribution. Instead, Mr. Sugarman stated that several local unions had financed advertising on behalf of federal and state candidates through Ray Advertising and that whatever money was left over (\$13,000) was refunded to Sheetmetal PAC 130.

1. Was the \$13,000 accepted by Sheetmetal PAC 130 from Ray Advertising a contribution?
2. If the response to No. 1 is no:
 - a) Explain why Sheetmetal PAC 130 reported the \$13,000 from Ray Advertising as a "contribution".
 - b) State why Ray Advertising gave \$13,000 to Sheetmetal PAC 130.
3. Did Sheetmetal PAC 130 participate in the securing of advertising on behalf of federal candidates through Ray Advertising for the 1982 election campaign?
 - a) If so, please state the names of the federal candidates involved.
 - b) If so, please state whether other local unions and/or their political action committees ("PACs") were involved in securing such advertising, state the names of those unions and/or PAC's and describe their involvement.

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c) If so, please state how much money Sheetmetal PAC 130 contributed to this effort.

d) If so, please state how Sheetmetal PAC 130 reported these expenditures on its FEC reports.

4. Explain why Mr. Sugarman first told the Reports Analysis Division that the \$13,000 from Ray Advertising was not a contribution and later said that it was a contribution.

5. Was the \$13,000 from Ray Advertising deposited in Sheetmetal PAC 130's account?

a) If not, please state into which account the \$13,000 was deposited.

b) If not, please explain why Sheetmetal PAC 130 reported receipt of the \$13,000.

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GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. 1727

RESPONDENTS Sheetmetal PAC 130
Roger L. Hudspeth, Sr., Treasurer

SUMMARY OF ALLEGATIONS

It is alleged that the Sheetmetal PAC 130 and its treasurer, Roger L. Hudspeth, Sr., accepted a corporate contribution from Ray Advertising in violation of 2 U.S.C § 441b(a).

FACTUAL AND LEGAL ANALYSIS

The 1982 October Quarterly Report filed by Sheetmetal PAC 130 disclosed a receipt of \$13,000 from Ray Advertising. A Request for Additional Information ("RFAI") questioning whether the receipt represented a corporate contribution was mailed on November 9, 1983. A Second Notice was mailed on December 1, 1983, when Sheetmetal PAC 130 did not respond to the RFAI.

On December 8, 1983, a response was received which stated that Sheetmetal PAC 130 intended to refund the contribution from Ray Advertising. The response further noted that since Sheetmetal PAC 130 did not have "sufficient money in the PAC's treasury to refund the contribution immediately, the PAC intends to refund the contribution by March 30, 1984."

On December 26, 1983, Robert Sugarman, the attorney representing Sheetmetal PAC 130, telephoned the Reports Analysis Division ("RAD") analyst to inquire if the measures described in the letter would be adequate in dealing with the contribution from Ray Advertising. Mr. Sugarman explained that the receipt in

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question did not actually represent a corporate contribution. He stated that several local unions had financed advertising on behalf of federal and state candidates with payments to Ray Advertising. 1/ When all of the funds were not used by Ray Advertising, a refund was issued to Sheetmetal PAC 130. Mr. Sugarman stated that a response clarifying this information would be sent to the Commission.

On January 13, 1984, the Reports Analyst telephoned Mr. Sugarman to determine if a response had been prepared. Mr. Sugarman stated that his clients had been busy and that he would try to meet with them the following week to obtain the information required to prepare a response.

On February 13, 1984, a response was received from Robert Sugarman which stated that Sheetmetal PAC 130 had "sent a check for \$13,000 to Ray Advertising to refund this contribution." The response also included a copy of the check used to refund the money. The RAD analyst telephoned Mr. Sugarman on February 14, 1984, to determine why the response did not provide any clarifying information concerning the advertising expenses to which he had referred in the conversation on December 26, 1983. Mr. Sugarman stated that the information in the letter indicating the refund to Ray Advertising was all that his clients wanted to report.

1/ Reports filed by Sheetmetal PAC 130 do not disclose any disbursement to Ray Advertising in 1982. There were, however, two (2) direct contributions totalling \$5,615 made to Federal candidates.

Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution in connection with a federal election and a political committee is prohibited from knowingly accepting such a contribution. As all the written responses regarding the \$13,000 have categorized the money as a "contribution", 2/ it must be assumed that a corporate contribution was made and accepted. Therefore, the Office of General Counsel recommends that the Commission find reason to believe that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, violated 2 U.S.C. § 441b(a).

2/ On its 1984 April Quarterly Report, Sheetmetal PAC 130 reported refunding a \$13,000 "contribution" to Ray Advertising on January 19, 1984.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 20, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Ray, Sr., President
Ray Advertising
714 NE 8th Street
Delray Beach, Florida 33444

Re: MUR 1727
Ray Advertising

Dear Mr. Ray:

On June 18, 1984, the Federal Election Commission determined that there is reason to believe that your corporation violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against your corporation. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit such materials along with your response to the enclosed Order to Answer Questions and Subpoena to Produce Documents.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order/subpoena. If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel and authorizing such counsel to receive any notifications or other communications from the Commission. It is required that you submit the information under oath and that you do so within ten days of your receipt of this order/subpoena.

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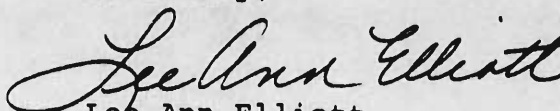
Letter to Robert Ray
Page 2

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

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Marybeth Tarrant, the staff member assigned to this matter, at (202)523-4000.

Sincerely,


Lee Ann Elliott
Chairman

Enclosures

Order with two pages of questions
Subpoena
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Form

85040523886

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Sheetmetal PAC 130)

Roger L. Hudspeth, Sr., Treasurer)

Ray Advertising)

MUR 1727

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Roger Ray, Sr., President
Ray Advertising
714 NE 8th Street
Delray Beach, Florida 33444

Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and Subpoenas you to produce requested documents.

Such answers must be submitted under oath and must be forwarded to the Commission within ten (10) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand on *June 19*, 1984.

Lee Ann Elliott

Lee Ann Elliott
Chairman

ATTEST:

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Attachment

85040523887

**QUESTIONS PURSUANT TO ORDER
REQUEST FOR THE PRODUCTION OF DOCUMENTS**

TO: Robert Ray, Sr., President
Ray Advertising

RE: Matter Under Review 1727

On December 26, 1983, attorney Robert A. Sugarman, representing Sheetmetal PAC 130, told a Reports Analysis Division analyst that the \$13,000 accepted by Sheetmetal PAC 130 from Ray Advertising was not a contribution. Instead, Mr. Sugarman stated that several local unions had financed advertising on behalf of federal and state candidates through Ray Advertising and that whatever money was left over (\$13,000) was refunded to Sheetmetal PAC 130.

1. Did Ray Advertising make a \$13,000 contribution to Sheetmetal PAC 130?
2. If the response to No. 1 is no, please explain what the money (\$13,000) represented.
3. Was the \$13,000 intended for Sheetmetal PAC 130 or the Sheetmetal Workers International Association Local Union No. 130 ("Local 130")?
4. Did Sheetmetal PAC 130 and/or Local 130 participate in the securing of advertising on behalf of federal candidates through Ray Advertising for the 1982 election campaign?
 - a) If so, please state the names of the federal candidates involved.
 - b) If so, please state whether other local unions and/or their political action committees ("PACs")

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were involved in securing such advertising, state the names of those unions and/or PACs, describe their involvement and how much each contributed.

c) If so, please state how much money Sheetmetal PAC 130 and/or Local 130 contributed to this effort.

d) If other unions and/or their pacs participated in this effort, please explain why \$13,000 was "refunded" to Sheetmetal PAC 130 and/or Local 130 as opposed to the other unions and/or their PACs?

6. Please provide copies of all agreements and/or contracts between Ray Advertising and any unions and/or their PACs concerning the 1982 election campaign of any federal candidates.
7. Please provide a copy of the front and back of the written instrument used to convey the \$13,000 to Sheetmetal PAC 130 and/or Local 130.

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GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. 1727

RESPONDENT Ray Advertising

SUMMARY OF ALLEGATIONS

It is alleged that Ray Advertising made a \$13,000 contribution to the Sheetmetal PAC 130 in violation of 2 U.S.C. § 441b(a).

FACTUAL BASIS AND LEGAL ANALYSIS

The 1982 October Quarterly Report filed by Sheetmetal PAC 130 disclosed a receipt of \$13,000 from Ray Advertising. A Request for Additional Information ("RFAI") questioning whether the receipt represented a corporate contribution was mailed on November 9, 1983. A Second Notice was mailed on December 1, 1983, when Sheetmetal PAC 130 did not respond to the RFAI.

On December 8, 1983, a response was received which stated that Sheetmetal PAC 130 intended to refund the contribution from Ray Advertising. The response further noted that since Sheetmetal PAC 130 did not have "sufficient money in the PAC's treasury to refund the contribution immediately, the PAC intends to refund the contribution by March 30, 1984."

On December 26, 1983, Robert Sugarman, the attorney representing Sheetmetal PAC 130, telephoned the Reports Analysis Division ("RAD") analyst to inquire if the measures described in the letter would be adequate in dealing with the contribution

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from Ray Advertising. Mr. Sugarman explained that the receipt in question did not actually represent a corporate contribution. He stated that several local unions had financed advertising on behalf of federal and state candidates with payments to Ray Advertising. 1/ When all of the funds were not used by Ray Advertising, a refund was issued to Sheetmetal PAC 130. Mr. Sugarman stated that a response clarifying this information would be sent to the Commission.

On January 13, 1984, the Reports Analyst telephoned Mr. Sugarman to determine if a response had been prepared. Mr. Sugarman stated that his clients had been busy and that he would try to meet with them the following week to obtain the information required to prepare a response.

On February 13, 1984, a response was received from Robert Sugarman which stated that Sheetmetal PAC 130 had "sent a check for \$13,000 to Ray Advertising to refund this contribution." The response also included a copy of the check used to refund the money. The RAD analyst telephoned Mr. Sugarman on February 14, 1984, to determine why the response did not provide any clarifying information concerning the advertising expenses to which he had referred in the conversation on December 26, 1983. Mr. Sugarman stated that the information in the letter indicating the refund to Ray Advertising was all that his clients wanted to report.

1/ Reports filed by Sheetmetal PAC 130 do not disclose any disbursement to Ray Advertising in 1982. There were, however, two (2) direct contributions totalling \$5,615 made to Federal candidates.

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Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution in connection with a federal election and a political committee is prohibited from knowingly accepting such a contribution. As all the written responses regarding the \$13,000 have categorized the money as a "contribution", 2/ it must be assumed that a corporate contribution was made and accepted. Therefore, the Office of General Counsel recommends that the Commission find reason to believe that Ray Advertising violated 2 U.S.C. § 441b(a).

2/ On its 1984 April Quarterly Report, Sheetmetal PAC 130 reported refunding a \$13,000 "contribution" to Ray Advertising on January 19, 1984.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *OK*
DATE: June 14, 1984
SUBJECT: RAD 84L-13 - 1st GC Rpt

The attached is submitted as an Agenda document
for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS

48 Hour Tally Vote [x]
Sensitive [x]
Non-Sensitive []

24 Hour No Objection []
Sensitive []
Non-Sensitive []

Information []
Sensitive []
Non-Sensitive []

Other []

DISTRIBUTION

Compliance [x]
Audit Matters []

Litigation []
Closed MUR Letters []

Status Sheets []
Advisory Opinions []

Other (see distribution below) []

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SENSITIVE

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

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT

84 JUN 14 A10: 26

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION 6-14-84 10:25am

RAD Referral # 84L-13
STAFF MEMBERS
M. Tarrant
L. Lerner

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

RESPONDENTS' NAMES: Sheetmetal PAC 130
Roger L. Hudspeth, Sr., Treasurer
Ray Advertising

RELEVANT STATUTE: 2 U.S.C. § 441b(a)

INTERNAL REPORTS CHECKED: Reports filed by Respondent committee

FEDERAL AGENCIES CHECKED: None

GENERATION OF MATTER

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD"). See Attachment 1.

SUMMARY OF ALLEGATIONS

It is alleged that the Sheetmetal PAC 130 and its treasurer, Roger L. Hudspeth, Sr., accepted a corporate contribution from Ray Advertising in violation of 2 U.S.C § 441b(a).

FACTUAL AND LEGAL ANALYSIS

The 1982 October Quarterly Report filed by Sheetmetal PAC 130 disclosed a receipt of \$13,000 from Ray Advertising. A Request for Additional Information ("RFAI") questioning whether the receipt represented a corporate contribution was mailed on

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November 9, 1983. A Second Notice was mailed on December 1, 1983, when Sheetmetal PAC 130 did not respond to the RFAI.

On December 8, 1983, a response was received which stated that Sheetmetal PAC 130 intended to refund the contribution from Ray Advertising. The response further noted that since Sheetmetal PAC 130 did not have "sufficient money in the PAC's treasury to refund the contribution immediately, the PAC intends to refund the contribution by March 30, 1984."

On December 26, 1983, Robert Sugarman, the attorney representing Sheetmetal PAC 130, telephoned the RAD analyst to inquire if the measures described in the letter would be adequate in dealing with the contribution from Ray Advertising. Mr. Sugarman explained that the receipt in question did not actually represent a corporate contribution. He stated that several local unions had financed advertising on behalf of federal and state candidates with payments to Ray Advertising. 1/ When all of the funds were not used by Ray Advertising, a refund was issued to Sheetmetal PAC 130. Mr. Sugarman stated that a response clarifying this information would be sent to the Commission.

On January 13, 1984, the Reports Analyst telephoned Mr. Sugarman to determine if a response had been prepared. Mr. Sugarman stated that his clients had been busy and that he would try to meet with them the following week to obtain the information required to prepare a response.

1/ Reports filed by Sheetmetal PAC 130 do not disclose any disbursement to Ray Advertising in 1982. There were, however, two (2) direct contributions totalling \$5,615 made to Federal candidates.

On February 13, 1984, a response was received from Robert Sugarman which stated that Sheetmetal PAC 130 had "sent a check for \$13,000 to Ray Advertising to refund this contribution." The response also included a copy of the check used to refund the money. The RAD analyst telephoned Mr. Sugarman on February 14, 1984, to determine why the response did not provide any clarifying information concerning the advertising expenses to which he had referred in the conversation on December 26, 1983. Mr. Sugarman stated that the information in the letter indicating the refund to Ray Advertising was all that his clients wanted to report. 2/

Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution in connection with a federal election and a political committee is prohibited from knowingly accepting such a contribution. As all the written responses regarding the \$13,000 have categorized the money as a "contribution", 3/ it appears that a corporate contribution was made and accepted. Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Respondents violated 2 U.S.C. § 441b(a).

RECOMMENDATIONS

1. Open a MUR.

2/ This Office has prepared questions concerning these events to be sent to the Respondents and Local Union No. 130.

3/ On its 1984 April Quarterly Report, Sheetmetal PAC 130 reported refunding a \$13,000 "contribution" to Ray Advertising on January 19, 1984.

2. Find reason to believe that the Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, and Ray Advertising violated 2 U.S.C. § 441b(a).

2. Authorize the attached subpoena/orders and cover letters to Sheetmetal PAC 130, Ray Advertising and Sheet Metal Workers International Association Local Union No. 130.

Charles N. Steele
General Counsel

Date

June 14, 1977

By:


Kenneth A. Gross
Associate General Counsel

Attachments

1. RAD Referral
2. Subpoena/Orders, questions
3. General Counsel's Factual and Legal Analysis
4. Proposed Letters

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Attachment 1

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 18 April 1984ANALYST: Mike Tangney

- I. COMMITTEE: Sheet Metal Workers International
Association Local Union No. 130
(C00161174)
Roger L. Hudspeth, Sr., Treasurer
P.O. Box 2465
West Palm Beach, FL 33402
- II. RELEVANT STATUTE: 2 U.S.C. 441b(a)
11 CFR 114.2(c)
- III. BACKGROUND: Apparent Prohibited Activity
2 U.S.C. 441b(a)
11 CFR 114.2(c)

The 1982 October Quarterly Report filed by the Sheet Metal Workers International Association Local Union No. 130 ("Local 130") disclosed a receipt of \$13,000 from Ray Advertising Inc. (Attachment 2). A Request for Additional Information ("RFAI") questioning whether the receipt represented a corporate contribution was mailed on November 9, 1983 (Attachment 3). A Second Notice was mailed on December 1, 1983 when Local 130 did not respond to the RFAI (Attachment 4).

On December 8, 1983, a response was received which stated that Local 130 intended to refund the contribution from Ray Advertising. The response further noted that since Local 130 did not have "sufficient money in the PAC's treasury to refund the contribution immediately, the PAC intends to refund the contribution by March 30, 1984" (Attachment 5).

On December 26, 1983, Robert Sugarman, the attorney representing Local 130, telephoned the RAD analyst to inquire if the measures described in the letter would be adequate in dealing with the contribution from Ray Advertising. Mr. Sugarman explained that the receipt in question did not actually represent a corporate contribution. He stated that several local unions had

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SHEET METAL WORKERS INTERNATIONAL
ASSOCIATION LOCAL UNION NO. 130
REPORTS ANALYSIS OGC REFERRAL
PAGE 2

financed advertising on behalf of Federal and State candidates with payments to Ray Advertising.* When all of the funds were not used by Ray Advertising, a refund was issued to Local 130. Mr. Sugarman stated that a response clarifying this information would be sent to the Commission (Attachment 6).

On January 13, 1984, the Reports Analyst telephoned Mr. Sugarman to determine if a response had been prepared. Mr. Sugarman stated that his clients had been busy and that he would try to meet with them the following week to obtain the information required to prepare a response (Attachment 7).

On February 13, 1984, a response was received from Robert Sugarman which stated that Local 130 had "sent a check for \$13,000 to Ray Advertising to refund this contribution." The response also included a copy of the check used to refund the money (Attachment 8). The RAD analyst telephoned Mr. Sugarman on February 14, 1984 to determine why the response did not provide any clarifying information concerning the advertising expenses to which he had referred in the conversation on December 26, 1983. Mr. Sugarman stated that the information in the letter indicating the refund to Ray Advertising was all that his clients wanted to report (Attachment 9).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None

* Reports filed by Local 130 do not disclose any disbursement to Ray Advertising in 1982. There were, however, two (2) direct contributions totalling \$5,615 made to Federal candidates.

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Attachment 1
Page 1 of 1FEDERAL ELECTION COMMISSION
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) (81-82)DATE 5APR84
PAGE 1

NON-PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
SHEET METAL WORKERS INTERNATIONAL ASS'N LOCAL UNION NO 130(SHEETMETAL PAC 130)				NON-PARTY QUALIFIED		ID #C00161174
CONNECTED ORGANIZATION: SHEET METAL WORKER'S INT'L UNION						
1982	REQUEST FOR ADDITIONAL INFORMATION					1 82FEC/244/18
	STATEMENT OF ORGANIZATION			30AUG82		3 82FEC/242/1179
	STATEMENT OF ORGANIZATION - AMENDMENT			4OCT82		4 82FEC/245/0615
	STATEMENT OF ORGANIZATION - AMENDMENT			22OCT82		3 82FEC/251/2876
	STATEMENT OF ORGANIZATION - AMENDMENT			22OCT82		3 82FEC/251/5202
	REQUEST FOR ADDITIONAL INFORMATION 2ND					1 82FEC/247/4522
	APRIL QUARTERLY	5,160	0	1JAN82 -31MAR82		5 82FEC/242/0691
	JULY QUARTERLY	4,419	6,372	1APR82 -30JUN82		12 82FEC/242/0678
	PRE-PRIMARY	-	-	1JUL82 -26AUG82		14 82FEC/242/0664
	OCTOBER QUARTERLY	25,844	25,457	1JUL82 -30SEP82		15 82FEC/250/3607
	OCTOBER QUARTERLY - AMENDMENT	-	-	1JUL82 -30SEP82		3 83FEC/289/0003
	REQUEST FOR ADDITIONAL INFORMATION			1JUL82 -30SEP82		3 83FEC/286/4883
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1JUL82 -30SEP82		4 83FEC/288/2138
	PRE-GENERAL	1,000	4,000	1OCT82 -13OCT82		7 82FEC/250/3622
	PRE-GENERAL - AMENDMENT	-	-	1OCT82 -13OCT82		1 83FEC/289/0210
	REQUEST FOR ADDITIONAL INFORMATION			1OCT82 -13OCT82		3 83FEC/287/1313
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1OCT82 -13OCT82		4 83FEC/288/3878
	POST-GENERAL	1,984	1,493	14OCT82 -22NOV82		10 82FEC/257/3716
	YEAR-END	1,032	520	22NOV82 -31DEC82		8 83FEC/265/3957
	TOTAL	39,439	0 37,842	0		104 TOTAL PAGES

All reports have received condensed review

Ending cash on hand 12/31/82 \$1,587

Debts and obligations owed by the committee \$0

(w)

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Attachment 2

Page 2 of 2

FEDERAL ELECTION COMMISSION
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) (83-84)DATE 18APR84
PAGE 1

NON-PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
SHEET METAL WORKERS INTERNATIONAL ASS'N LOCAL UNION NO 130 (SHEETMETAL PAC 130)				NON-PARTY QUALIFIED		ID #C00161174
CONNECTED ORGANIZATION: SHEET METAL WORKER'S INT'L UNION						
1983	MID-YEAR REPORT	9,606	7,273	1JAN83 -30JUN83	14	83FEC/279/5082
	YEAR-END	4,449	4,058	1JUL83 -31DEC83	15	84FEC/295/4786
1984	MISCELLANEOUS REPORT			3APR84 TO FEC	4	84FEC/306/2
	APRIL QUARTERLY	14,681	15,816	1JAN84 -31MAR84	13	84FEC/309/
	TOTAL	28,736	0	27,147	0	46 TOTAL PAGES

No reports have been reviewed

Ending cash on hand 3/31/84 - \$3,186

Debts and obligations owed by the committee - \$0

(F)

1982 OCTOBER QUARTERLY

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such contributors.

Name of Contribution (in Full)

Sheetmetal PAC 130

A. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
UA PAC 630 1900 N. Florida Mango Rd. West Palm Beach, FL 33409		Occupation	8-13-82	4,200.00
Receipt For: ☐ Primary ☐ General ☐ Other (specify):		Aggregate Year-to-Date-\$		
B. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Iron Workers PAC 402 1001 W. 15th St. Riviera Beach, FL 33404		Occupation	8-18-82	4,200.00
Receipt For: ☐ Primary ☐ General ☐ Other (specify):		Aggregate Year-to-Date-\$		
C. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Ray Advertising 714 NE 8th St. Delray Beach, FL 33444		Occupation	8-23-82	13,000.00
Receipt For: ☐ Primary ☐ General ☐ Other (specify):		Aggregate Year-to-Date-\$		
D. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
		Occupation		
Receipt For: ☐ Primary ☐ General ☐ Other (specify):		Aggregate Year-to-Date-\$		
E. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
		Occupation		
Receipt For: ☐ Primary ☐ General ☐ Other (specify):		Aggregate Year-to-Date-\$		
F. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
		Occupation		
Receipt For: ☐ Primary ☐ General ☐ Other (specify):		Aggregate Year-to-Date-\$		
G. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
		Occupation		
Receipt For: ☐ Primary ☐ General ☐ Other (specify):		Aggregate Year-to-Date-\$		
SUBTOTAL of Receipts This Page (optional)				21,400.00
TOTAL This Period (last page this line number only)				



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

9 November 1983

RQ-2

Roger L. Hudspeth, Sr., Treasurer
Sheet Metal Workers International Association
Local Union No. 130
P.O. Box 2465
West Palm Beach, FL 33402

Identification Number: C00161174

Reference: October Quarterly Report (7/1/82-9/30/82)

Dear Mr. Hudspeth:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

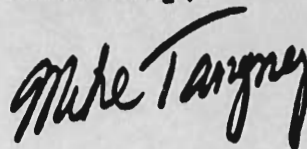
-Your report discloses an apparent contribution(s) from a corporation(s) (pertinent portion attached). You are advised that a contribution from a corporation is prohibited by the Act, unless made from a separate segregated fund established by the corporation. (2 U.S.C. 441b(a)) If you have received a corporate contribution(s), the Commission recommends that you refund the full amount to the donor(s). The Commission should be notified in writing if a refund is necessary. In addition, any refund should appear on Line 27 of the Detailed Summary Page of your next report.

If you find the contribution(s) in question was disclosed incompletely or incorrectly, please amend your original report with the clarifying information.

Although the Commission may take further legal steps concerning the acceptance of a prohibited contribution, prompt action by you to refund the full amount will be taken into consideration by the Commission.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 357-0026.

Sincerely,



Mike Tangney
Reports Analyst
Reports Analysis Division

85040523904



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-3

December 1, 1983

Roger L. Hudspeth, Sr., Treasurer
Sheet Metal Workers International
Association Local Union No. 130
P.O. Box 2465
West Palm Beach, FL 33402

Identification Number: C00161174

Reference: October Quarterly Report (7/1/82-9/30/82)

Dear Mr. Hudspeth:

This letter is to inform you that as of November 30, 1983, the Commission has not received your response to our request for additional information, dated November 9, 1983. That notice requested information essential to full public disclosure of your Federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). A copy of our original request is enclosed.

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Mike Tangney on our toll-free number (800) 424-9530 or our local number (202) 357-0026.

Sincerely,

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure

85040523905

Attachment 4

8

LAW OFFICES

KAPLAN, SICKING, MESSEN, SUGARMAN, ROSENTHAL & DE CASTRO

PROFESSIONAL ASSOCIATION

ATTACHMENT 5

1901 NORTHWEST 17th AVENUE
MIAMI, FLORIDA

MAILING ADDRESS
PO DRAWER 12117
MIAMI, FLORIDA 33191

December 2, 1983

Mike Tangney, Reports Analyst
Reports Analysis Division
Federal Election Commission
Washington, D. C. 20463

Re: Sheetmetal PAC 130
Identification No. C00161174

Dear Mr. Tangney:

This firm represents Sheetmetal Workers International Association Local Union No. 130 and its separate segregated fund, Sheetmetal PAC 130. Your letters of November 9th and 16th to Roger L. Hudspeth, Treasurer of the Political Action Committee and Business Manager of Local 130, have been forwarded to us for reply.

While our client does not admit that any of the matters alleged in both letters violate the Act, my client proposes to take the following action to settle the matters brought up in your letters.

Your November 9th, 1983 letter mentions a reported contribution from Ray Advertising. Sheetmetal PAC 130 intends to refund this contribution. Since there is not sufficient money in the PAC's treasury to refund the contribution immediately, the PAC intends to refund the contribution by March 30, 1984. After the refund is made, we will send you proof of the refund.

In your November 16, 1983 letter, you refer to an apparent contribution from a labor organization. However, the page from Schedule A which you attached clearly shows that the contribution was received from "Plumbers & Pipefitters Local 803 PAC Fund." We have confirmed that the full name of that Fund is the "Committee on Political Education of Plumbers & Pipefitters Local 803." It is a "state PAC" duly registered with the Division of Elections, Department of State, State of Florida, and on October 5,

STEVEN BLOOM
Labor Law
ALFREDO F. DE CASTRO
General Practice
STEVEN A. GOLDSTEIN
General Practice
PATRICK G. NEWMAN
General Practice
ARNOLD D. MESSIN
Personal Injury and Wrongful Death
Family Law
JOSEPH H. KAPLAN
Labor Law
STEVEN LEVINE
Personal Injury and Wrongful Death
Family Law
GERALD A. ROSENTHAL
Workers' Compensation
ROBERT L. SCHWARTZ
Personal Injury and Wrongful Death
Family Law
RICHARD A. SICKING
Workers' Compensation
Administrative and Governmental Law
ROBERT T. STRAIN
General Practice
ROBERT A. SUGARMAN
Labor Law
HOWARD S. RUBINOFF
Labor Law

TELEPHONE

954. 125-1661
1-800-368-0119
1-800-368-0119

WEST PALM BEACH OFFICE

1111 9th • FORUM III
1665 PALM BEACH LAKES BOULEVARD
WEST PALM BEACH, FLORIDA 33411
Tel. 888-1881

Mike Tangney, Reports Analyst
December 2, 1983
Page 2.

1981 was certified by the Florida Secretary of State as a committee of continuous existence pursuant to Florida Statute 106.04. Therefore, this contribution was not received from a labor organization but from a political committee.

Please advise us whether the proposed refund to Ray Advertising and the full identification of the Plumbers 803 political committee satisfies the concerns raised in your letter. In replying to this letter, please respond to our new Ft. Lauderdale office, 1136 S. E. 3rd Avenue, Ft. Lauderdale, Florida 33316, telephone (305) 467-1366.

Yours truly,

Robert A. Sugarman
Robert A. Sugarman

RAS:cw

cc: Roger L. Hudspeth, Sheetmetal Workers Local 130

85040523907
0103290704

TELECON

ANALYST Mike Tannev

TELECON WITH: Robert A. Sugarman

Candidate/Committee: Sheet Metal Workers International Association Local Union
No. 130

DATE: 12/26/83

SUBJECT(S): Receipt of funds from Ray Advertising

Mr. Sugarman the attorney representing Local 130 telephoned to ask if the steps being taken to refund the money to Ray Advertising would be adequate. He added that the money did not actually represent a contribution from a corporation but that several local unions had financed advertising on behalf of federal and state candidates. When money was left over a refund was then made from Ray Advertising to Local 130. I informed Mr. Sugarman that he should provide a written response to the Commission to clarify this. He stated that it would take approximately two weeks to gather all of the information and that he would prepare a response with the clarifying information.

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TELECON

ANALYST Mike Tangney

TELECON WITH: Robert A. Sugarman

Candidate/Committee: Sheet Metal Workers International Association Local Union
No. 130

DATE: 1/13/84

SUBJECT(S): Response regarding receipt from Ray Advertising

I telephoned Mr. Sugarman to determine if he had prepared a response regarding the funds received from Ray Advertising Inc. He stated that his clients had been busy and as a result had not met with him yet to provide the clarifying information. He would, however, try to schedule a meeting for the following week in order to get the necessary information.

85040523909

Attachment 8

LAW OFFICES

KAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL
SUSSKIND, BLOOM & DE CASTRO

PROFESSIONAL ASSOCIATION
1861 NORTHWEST 17th AVENUE
P.O. DRAWER 830337
MIAMI, FLORIDA 33152
(305) 325-1861

21 FEB 13 1984 19:31
WEST PALM BEACH OFFICE
SUITE 200 FORUM II
1675 PALM BEACH LAKES BOULEVARD
WEST PALM BEACH, FLORIDA 33401
(305) 853-9400

FORT LAUDERDALE OFFICE
1135 S.E. 3rd AVENUE
FORT LAUDERDALE, FLORIDA 33316
(305) 467-1386

REPLY TO:

FT. LAUDERDALE

February 8, 1984

STEVEN BLOOM
Labor Law
ALFREDO F. DE CASTRO
General Practice
NEAL L. GANON
PATRICK G. HELM
General Practice
ARNOLD G. HESSEN
Personal Injury and Wrongful Death
Family Law
JOSEPH H. KAPLAN
Labor Law
STEVEN LEVINE
Personal Injury and Wrongful Death
Family Law
GERALD A. ROSENTHAL
Worker's Compensation
SHARON M. BASSEL
General Practice
ROBERT SCHMIDT
Personal Injury and Wrongful Death
Family Law
RICHARD A. SICKING
Worker's Compensation
Administrative and Governmental Law
RICHARD P. STRAIN
ROBERT T. STRAIN
General Practice
ROBERT A. SUGARMAN
Labor Law
HOWARD S. SUSSKIND
Labor Law

Mike Tangney, Reports Analyst
Reports Analysis Division
Federal Election Commission
Washington, D. C. 20463

Re: Sheetmetal PAC 130/
Federal Election Commission

Dear Mr. Tangney:

This firm represents Sheetmetal PAC 130. This letter is a follow-up to my letter to you of December 2nd, 1983 concerning your letters of November 9th and 16th, 1983 to Roger L. Hudspeth, Treasurer of Sheetmetal PAC 130.

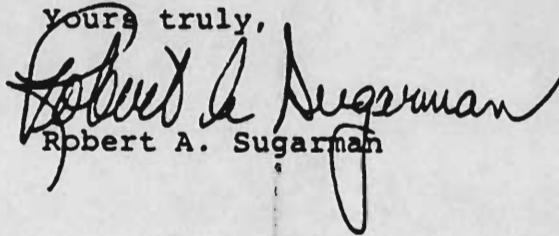
Your November 9th, 1983 letter mentioned a reported contribution to the PAC from Ray Advertising. On January 19th, 1984, our client sent a check for \$13,000 to Ray Advertising to refund this contribution. A copy of that check is enclosed.

In your November 16th, 1983 letter, you referred to a contribution from the Plumbers and Pipefitters Local 803 PAC Fund. This \$1,000 contribution was made by the Committee on Political Education of Plumbers and Pipefitters Local 803 which is a "state PAC" duly registered with the Division of Elections, Department of State, of the State of Florida. You have advised us that the Local 803 PAC is not registered with the Commission. Since the Sheetmetal PAC 130 has no way of requiring the Local 803 PAC to federally register, Sheetmetal PAC 130 has instead refunded \$10 of the contribution made by the Local 803 PAC. This brings the Local 803 PAC's contribution to below the \$1,000 threshold. A copy of that refund check and accompanying letter is enclosed.

Mike Tangney, Reports Analyst
February 8, 1984
Page 2.

We hope that these refunds satisfy the concerns raised
in your letters and will enable the Commission to close these
cases.

Yours truly,


Robert A. Sugarmen

RAS:cw

Enc.

cc: Roger Hudspeth

85040523911

SHEET METAL PAG 130

WEST PALM BEACH, FLA 33402

1099

PAY TO THE
ORDER OF

Raymond H. H. H.

1-22-1974

\$13.00

Thirteen thousand and no/100

DOLLARS



FLAGSHIP BANK
OF WEST PALM BEACH
West Palm Beach, Florida 33402

INTEREST/CHECKING

Raymond H. H. H.

⑆00001099⑆⑆067006270⑆⑆6272405253⑆

8504052

0110

30

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TELECON

ANALYST Mike Tangney

Attachment 9

TELECON WITH: Robert A Sugarman, Attorney

Candidate/Committee: Sheet Metal Workers International Association Local Union
No. 130

DATE: February 14, 1984

SUBJECT(S): Receipt of funds from Ray Advertising

I telephoned Mr. Sugarman to ask why his letter of February 8, 1984 did not include any information clarifying the transaction between Local 130 and Ray Advertising. He stated that the information in the letter indicating the refund to Ray Advertising was all that his clients wanted to report.

85040523913

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheetmetal PAC 130) MUR
Roger L. Hudspeth, Sr.,)
Treasurer)
Ray Advertising)

ORDER TO SUBMIT WRITTEN ANSWERS

To: Roger L. Hudspeth, Sr.
Treasurer, Sheetmetal PAC 130
P.O. Box 2465
West Palm Beach, Florida 33402

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within ten days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand in Washington, D.C. on this day of , 198 .

Lee Ann Elliott
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment

QUESTIONS PURSUANT TO ORDER

TO: Roger L. Hudspeth, Sr.

RE: Matter Under Review

On December 26, 1983, attorney Robert A. Sugarman, representing Sheetmetal PAC 130, told a Reports Analysis Division analyst that the \$13,000 accepted by Sheetmetal PAC 130 from Ray Advertising was not a contribution. Instead, Mr. Sugarman stated that several local unions had financed advertising on behalf of federal and state candidates through Ray Advertising and that whatever money was left over (\$13,000) was refunded to Sheetmetal PAC 130.

1. Was the \$13,000 accepted by Sheetmetal PAC 130 from Ray Advertising a contribution?
2. If the response to No. 1 is no:
 - a) Explain why Sheetmetal PAC 130 reported the \$13,000 from Ray Advertising as a "contribution".
 - b) State why Ray Advertising gave \$13,000 to Sheetmetal PAC 130.
3. Did Sheetmetal PAC 130 participate in the securing of advertising on behalf of federal candidates through Ray Advertising for the 1982 election campaign?
 - a) If so, please state the names of the federal candidates involved.
 - b) If so, please state whether other local unions and/or their political action committees ("PACs") were involved in securing such advertising, state the names of those unions and/or PAC's and describe their involvement.

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c) If so, please state how much money Sheetmetal PAC 130 contributed to this effort.

d) If so, please state how Sheetmetal PAC 130 reported these expenditures on its FEC reports.

4. Explain why Mr. Sugarman first told the Reports Analysis Division that the \$13,000 from Ray Advertising was not a contribution and later said that it was a contribution.

5. Was the \$13,000 from Ray Advertising deposited in Sheetmetal PAC 130's account?

a) If not, please state into which account the \$13,000 was deposited.

b) If not, please explain why Sheetmetal PAC 130 reported receipt of the \$13,000.

85040523916

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheetmetal PAC 130)
Roger L. Hudspeth, Sr., Treasurer) MUR
Ray Advertising)

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Roger Ray, Sr., President
Ray Advertising
714 NE 8th Street
Delray Beach, Florida 33444

Pursuant to 2 U.S.C. § 437d(a)(1), and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and Subpoenas you to produce requested documents.

Such answers must be submitted under oath and must be forwarded to the Commission within ten (10) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand on , 1984.

Lee Ann Elliott
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment

85040523917

**QUESTIONS PURSUANT TO ORDER
REQUEST FOR THE PRODUCTION OF DOCUMENTS**

**TO: Robert Ray, Sr., President
Ray Advertising**

RE: Matter Under Review

On December 26, 1983, attorney Robert A. Sugarman, representing Sheetmetal PAC 130, told a Reports Analysis Division analyst that the \$13,000 accepted by Sheetmetal PAC 130 from Ray Advertising was not a contribution. Instead, Mr. Sugarman stated that several local unions had financed advertising on behalf of federal and state candidates through Ray Advertising and that whatever money was left over (\$13,000) was refunded to Sheetmetal PAC 130.

1. Did Ray Advertising make a \$13,000 contribution to Sheetmetal PAC 130?
2. If the response to No. 1 is no, please explain what the money (\$13,000) represented.
3. Was the \$13,000 intended for Sheetmetal PAC 130 or the Sheetmetal Workers International Association Local Union No. 130 ("Local 130")?
4. Did Sheetmetal PAC 130 and/or Local 130 participate in the securing of advertising on behalf of federal candidates through Ray Advertising for the 1982 election campaign?
 - a) If so, please state the names of the federal candidates involved.
 - b) If so, please state whether other local unions and/or their political action committees ("PACs")

were involved in securing such advertising, state the names of those unions and/or PACs, describe their involvement and how much each contributed.

c) If so, please state how much money Sheetmetal PAC 130 and/or Local 130 contributed to this effort.

d) If other unions and/or their pacs participated in this effort, please explain why \$13,000 was "refunded" to Sheetmetal PAC 130 and/or Local 130 as opposed to the other unions and/or their PACs?

6. Please provide copies of all agreements and/or contracts between Ray Advertising and any unions and/or their PACs concerning the 1982 election campaign of any federal candidates.
7. Please provide a copy of the front and back of the written instrument used to convey the \$13,000 to Sheetmetal PAC 130 and/or Local 130.

85040523919

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheetmetal PAC 130) MUR
Roger L. Hudspeth, Sr., Treasurer)
Ray Advertising)

ORDER TO SUBMIT WRITTEN ANSWERS

TO: President
Sheet Metal Workers International Association
Local Union No. 130
P.O. Box 2465
West Palm Beach, Florida 33402

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within ten (10) days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand in Washington, D.C. on this day of , 1984.

Lee Ann Elliott
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment

QUESTIONS PURSUANT TO ORDER

TO: President
Sheet Metal Workers International Association
Local Union No. 130 ("Local 130")

RE: Matter Under Review

On December 26, 1983, attorney Robert A. Sugarman, representing Sheetmetal PAC 130, told a Reports Analysis Division analyst that the \$13,000 accepted by Sheetmetal PAC 130 from Ray Advertising was not a contribution. Instead, Mr. Sugarman stated that several local unions had financed advertising on behalf of federal and state candidates through Ray Advertising and that whatever money was left over (\$13,000) was refunded to Sheetmetal PAC 130.

1. Did Local 130 accept \$13,000 from Ray Advertising in 1982?
 - a) If so, explain the reason Ray Advertising gave Local 130 \$13,000.
 - b) If so, state whether Local 130 transferred the \$13,000 to Sheetmetal PAC 130 and explain why this was done.
2. Did Local 130 participate in the securing of advertising on behalf of federal candidates through Ray Advertising for the 1982 election campaign?
 - a) If so, describe that participation.
 - b) If so, please state the names of the federal candidates involved.
 - c) If so, please state whether other local unions and/or their political action committees ("PACs")

Questions to President
Page 2

were involved in securing such advertising, state the names of those unions and/or PACs, describe their involvement and how much each contributed.

d) If so, please state how much money Local 130 contributed to this effort.

85040523922

● Attachment.3

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. _____

RESPONDENTS Sheetmetal PAC 130
Roger L. Hudspeth, Sr., Treasurer

SUMMARY OF ALLEGATIONS

It is alleged that the Sheetmetal PAC 130 and its treasurer, Roger L. Hudspeth, Sr., accepted a corporate contribution from Ray Advertising in violation of 2 U.S.C § 441b(a).

FACTUAL AND LEGAL ANALYSIS

The 1982 October Quarterly Report filed by Sheetmetal PAC 130 disclosed a receipt of \$13,000 from Ray Advertising. A Request for Additional Information ("RFAI") questioning whether the receipt represented a corporate contribution was mailed on November 9, 1983. A Second Notice was mailed on December 1, 1983, when Sheetmetal PAC 130 did not respond to the RFAI.

On December 8, 1983, a response was received which stated that Sheetmetal PAC 130 intended to refund the contribution from Ray Advertising. The response further noted that since Sheetmetal PAC 130 did not have "sufficient money in the PAC's treasury to refund the contribution immediately, the PAC intends to refund the contribution by March 30, 1984."

On December 26, 1983, Robert Sugarman, the attorney representing Sheetmetal PAC 130, telephoned the Reports Analysis Division ("RAD") analyst to inquire if the measures described in the letter would be adequate in dealing with the contribution from Ray Advertising. Mr. Sugarman explained that the receipt in

question did not actually represent a corporate contribution. He stated that several local unions had financed advertising on behalf of federal and state candidates with payments to Ray Advertising. 1/ When all of the funds were not used by Ray Advertising, a refund was issued to Sheetmetal PAC 130. Mr. Sugarman stated that a response clarifying this information would be sent to the Commission.

On January 13, 1984, the Reports Analyst telephoned Mr. Sugarman to determine if a response had been prepared. Mr. Sugarman stated that his clients had been busy and that he would try to meet with them the following week to obtain the information required to prepare a response.

On February 13, 1984, a response was received from Robert Sugarman which stated that Sheetmetal PAC 130 had "sent a check for \$13,000 to Ray Advertising to refund this contribution." The response also included a copy of the check used to refund the money. The RAD analyst telephoned Mr. Sugarman on February 14, 1984, to determine why the response did not provide any clarifying information concerning the advertising expenses to which he had referred in the conversation on December 26, 1983. Mr. Sugarman stated that the information in the letter indicating the refund to Ray Advertising was all that his clients wanted to report.

1/ Reports filed by Sheetmetal PAC 130 do not disclose any disbursement to Ray Advertising in 1982. There were, however, two (2) direct contributions totalling \$5,615 made to Federal candidates.

85040523924

Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution in connection with a federal election and a political committee is prohibited from knowingly accepting such a contribution. As all the written responses regarding the \$13,000 have categorized the money as a "contribution", 2/ it must be assumed that a corporate contribution was made and accepted. Therefore, the Office of General Counsel recommends that the Commission find reason to believe that Sheetmetal PAC 130 and Roger L. Hudspeth, Sr., as treasurer, violated 2 U.S.C. § 441b(a).

2/ On its 1984 April Quarterly Report, Sheetmetal PAC 130 reported refunding a \$13,000 "contribution" to Ray Advertising on January 19, 1984.

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GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. _____

RESPONDENT Ray Advertising

SUMMARY OF ALLEGATIONS

It is alleged that Ray Advertising made a \$13,000 contribution to the Sheetmetal PAC 130 in violation of 2 U.S.C. § 441b(a).

FACTUAL BASIS AND LEGAL ANALYSIS

The 1982 October Quarterly Report filed by Sheetmetal PAC 130 disclosed a receipt of \$13,000 from Ray Advertising. A Request for Additional Information ("RFAI") questioning whether the receipt represented a corporate contribution was mailed on November 9, 1983. A Second Notice was mailed on December 1, 1983, when Sheetmetal PAC 130 did not respond to the RFAI.

On December 8, 1983, a response was received which stated that Sheetmetal PAC 130 intended to refund the contribution from Ray Advertising. The response further noted that since Sheetmetal PAC 130 did not have "sufficient money in the PAC's treasury to refund the contribution immediately, the PAC intends to refund the contribution by March 30, 1984."

On December 26, 1983, Robert Sugarman, the attorney representing Sheetmetal PAC 130, telephoned the Reports Analysis Division ("RAD") analyst to inquire if the measures described in the letter would be adequate in dealing with the contribution

85040523926

from Ray Advertising. Mr. Sugarman explained that the receipt in question did not actually represent a corporate contribution. He stated that several local unions had financed advertising on behalf of federal and state candidates with payments to Ray Advertising. 1/ When all of the funds were not used by Ray Advertising, a refund was issued to Sheetmetal PAC 130. Mr. Sugarman stated that a response clarifying this information would be sent to the Commission.

On January 13, 1984, the Reports Analyst telephoned Mr. Sugarman to determine if a response had been prepared. Mr. Sugarman stated that his clients had been busy and that he would try to meet with them the following week to obtain the information required to prepare a response.

On February 13, 1984, a response was received from Robert Sugarman which stated that Sheetmetal PAC 130 had "sent a check for \$13,000 to Ray Advertising to refund this contribution." The response also included a copy of the check used to refund the money. The RAD analyst telephoned Mr. Sugarman on February 14, 1984, to determine why the response did not provide any clarifying information concerning the advertising expenses to which he had referred in the conversation on December 26, 1983. Mr. Sugarman stated that the information in the letter indicating the refund to Ray Advertising was all that his clients wanted to report.

1/ Reports filed by Sheetmetal PAC 130 do not disclose any disbursement to Ray Advertising in 1982. There were, however, two (2) direct contributions totalling \$5,615 made to Federal candidates.

Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution in connection with a federal election and a political committee is prohibited from knowingly accepting such a contribution. As all the written responses regarding the \$13,000 have categorized the money as a "contribution", 2/ it must be assumed that a corporate contribution was made and accepted. Therefore, the Office of General Counsel recommends that the Commission find reason to believe that Ray Advertising violated 2 U.S.C. § 441b(a).

2/ On its 1984 April Quarterly Report, Sheetmetal PAC 130 reported refunding a \$13,000 "contribution" to Ray Advertising on January 19, 1984.

8 5 0 4 0 5 2 3 9 2 8



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Attachment 4

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Roger L. Hudspeth, Sr., Treasurer
Sheetmetal PAC 130
P.O. Box 2465
West Palm Beach, Florida 33402

Re: MUR
Sheetmetal PAC 130
Roger L. Hudspeth, Sr., Treasurer

Dear Mr. Hudspeth:

On June , 1984, the Federal Election Commission determined that there is reason to believe that Sheetmetal PAC 130 and you as treasurer, violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your response to the enclosed Order to Answer Questions.

You may consult with an attorney and have an attorney assist you in the preparation of your response to this order. If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel and authorizing such counsel to receive any notifications or other communications from the Commission. It is required that you submit the information under oath and that you so do within ten days of your receipt of this order.

Letter to Roger L. Hudspeth, Sr.,
Page 2

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

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Marybeth Tarrant, the staff member assigned to this matter, at (202)523-4000.

Sincerely,

Enclosures

Order with two pages of questions
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Form



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Ray, Sr., President
Ray Advertising
714 NE 8th Street
Delray Beach, Florida 33444

Re: MUR
Ray Advertising

Dear Mr. Ray:

On , 1984, the Federal Election Commission determined that there is reason to believe that your corporation violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against your corporation. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit such materials along with your response to the enclosed Order to Answer Questions and Subpoena to Produce Documents.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order/subpoena. If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel and authorizing such counsel to receive any notifications or other communications from the Commission. It is required that you submit the information under oath and that you do so within ten days of your receipt of this order/subpoena.

Letter to Robert Ray
Page 2

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

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Marybeth Tarrant, the staff member assigned to this matter, at (202)523-4000.

Sincerely,

Enclosures

Order with two pages of questions
Subpoena
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Form



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

President
Sheet Metal Workers International
Association Local Union No. 130
P.O. Box 2465
West Palm Beach, Florida 33402

Re: MUR

Dear Sir or Madam:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, Internal Revenue Code of 1954. In connection with an investigation being conducted by the Commission, the attached order which requires you provide certain information has been issued. The Commission does not consider you a respondent in this matter; but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. That section of the Act prohibits the making public of any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order. However, you are required to submit the information under oath within ten days of your receipt of this order.

Letter to President
Page 2

If you have any questions, please direct them to Marybeth Tarrant, the staff member handling this matter, at (202)523-4000.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures
Order
Questions

85040523934

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheet Metal Workers International) RAD Referral #84 L-13
Association Local Union)
No. 130, et al.)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of June 5, 1984, do hereby certify that the Commission decided by a vote of 6-0 to return the General Counsel's May 24, 1984, report on the above-captioned matter, with the direction that it be revised to clarify the names in the report, and to include orders and interrogatories to all three respondents to answer interrogatories under oath.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for the decision.

Attest:

6-5-84

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

85040523935



FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL
FROM: MARJORIE W. EMMONS/ JODY C. RANSOM *JCR*
DATE: MAY 30, 1984
SUBJECT: ADDITIONAL OBJECTION - RAD REFERRAL 84L-13
First General Counsel's Report
signed May 24, 1984

The above-named document was circulated to the
Commission on Friday, May 25, 1984 at 2:00.

Objections have been received from the Commissioners
as indicated by the name(s) checked:

Commissioner Aikens	<u>X</u>
Commissioner Elliott	<u>X</u>
Commissioner Harris	<u> </u>
Commissioner McDonald	<u> </u>
Commissioner McGarry	<u> </u>
Commissioner Reiche	<u> </u>

This matter will be placed on the Executive Session
agenda for Tuesday, June 5, 1984.

85040523936



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL
FROM: MARJORIE W. EMMONS/JODY C. RANSOM *JCR*
DATE: MAY 29, 1984
SUBJECT: OBJECTION - RAD REFERRAL 84L-13
First General Counsel's Report
signed May 24, 1984

The above-named document was circulated to the
Commission on Friday, May 25, 1984 at 2:00.

Objections have been received from the Commissioners
as indicated by the name(s) checked:

Commissioner Aikens	_____
Commissioner Elliott	_____ X _____
Commissioner Harris	_____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Reiche	_____

This matter will be placed on the Executive Session
agenda for Tuesday, June 5, 1984.

85040523937



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel *Cut*

DATE: May 24, 1984

SUBJECT: RAD Referral 84L-13: First General Counsel's Report

The attached is submitted as an Agenda document
for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS

48 Hour Tally Vote [X]
Sensitive [X]
Non-Sensitive []

24 Hour No Objection []
Sensitive []
Non-Sensitive []

Information []
Sensitive []
Non-Sensitive []

Other []

DISTRIBUTION

Compliance [X]

Audit Matters []

Litigation []

Closed MUR Letters []

Status Sheets []

Advisory Opinions []

Other (see distribution below) []

85040523938

SENSITIVE

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

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT

34 MAY 24 P 2: 50

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION 5/24/84-2:40

RAD Referral # 84L-13
STAFF MEMBERS
M. Tarrant
L. Lerner

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

RESPONDENTS' NAMES: Sheet Metal Workers International Association
Local Union No. 130 (Sheet Metal PAC 130)
Roger L. Hudspeth, Sr., Treasurer
Ray Advertising

RELEVANT STATUTE: 2 U.S.C. § 441b(a)

INTERNAL REPORTS CHECKED: Reports filed by Respondent committee

FEDERAL AGENCIES CHECKED: None

GENERATION OF MATTER

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD"). See Attachment 1.

SUMMARY OF ALLEGATIONS

It is alleged that the Sheet Metal Workers International Association Local Union No. 130 (Sheet Metal PAC 130) ("Local 130") and its treasurer accepted a corporate contribution from Ray Advertising in violation of 2 U.S.C § 441b(a).

FACTUAL AND LEGAL ANALYSIS

The 1982 October Quarterly Report filed by Local 130 disclosed a receipt of \$13,000 from Ray Advertising. A Request for Additional Information ("RFAI") questioning whether the receipt represented a corporate contribution was mailed on

85040523939

November 9, 1983. A Second Notice was mailed on December 1, 1983, when Local 130 did not respond to the RFAI.

On December 8, 1983, a response was received which stated that Local 130 intended to refund the contribution from Ray Advertising. The response further noted that since Local 130 did not have "sufficient money in the PAC's treasury to refund the contribution immediately, the PAC intends to refund the contribution by March 30, 1984."

On December 26, 1983, Robert Sugarman, the attorney representing Local 130, telephoned the RAD analyst to inquire if the measures described in the letter would be adequate in dealing with the contribution from Ray Advertising. Mr. Sugarman explained that the receipt in question did not actually represent a corporate contribution. He stated that several local unions had financed advertising on behalf of federal and state candidates with payments to Ray Advertising. 1/ When all of the funds were not used by Ray Advertising, a refund was issued to Local 130. Mr. Sugarman stated that a response clarifying this information would be sent to the Commission.

On January 13, 1984, the Reports Analyst telephoned Mr. Sugarman to determine if a response had been prepared. Mr. Sugarman stated that his clients had been busy and that he would try to meet with them the following week to obtain the information required to prepare a response.

1/ Reports filed by Local 130 do not disclose any disbursement to Ray Advertising in 1982. There were, however, two (2) direct contributions totalling \$5,615 made to Federal candidates.

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On February 13, 1984, a response was received from Robert Sugarman which stated that Local 130 had "sent a check for \$13,000 to Ray Advertising to refund this contribution." The response also included a copy of the check used to refund the money. The RAD analyst telephoned Mr. Sugarman on February 14, 1984, to determine why the response did not provide any clarifying information concerning the advertising expenses to which he had referred in the conversation on December 26, 1983. Mr. Sugarman stated that the information in the letter indicating the refund to Ray Advertising was all that his clients wanted to report. 2/

Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution in connection with a federal election and a political committee is prohibited from knowingly accepting such a contribution. As all the written responses regarding the \$13,000 have categorized the money as a "contribution", 3/ it appears that a corporate contribution was made and accepted. Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Respondents violated 2 U.S.C. § 441b(a).

RECOMMENDATIONS

1. Open a MUR.

2/ This Office has prepared questions concerning these events to be sent to Local 130.

3/ On its 1984 April Quarterly Report, Local 130 reported refunding a \$13,000 "contribution" to Ray Advertising on January 19, 1984.

85040523941

2. Find reason to believe that the Sheet Metal Workers International Association Local Union No. 130 (Sheet Metal PAC 130) and Roger L. Hudspeth, Sr., as treasurer, and Ray Advertising violated 2 U.S.C. § 441b(a).
2. Approve the attached letters and questions.

Charles N. Steele
General Counsel

May 24 1974
Date

By: *Kenneth A. Gross*
Kenneth A. Gross
Associate General Counsel

Attachments

1. RAD Referral
2. Proposed Letters, questions
3. General Counsel's Factual and Legal Analysis

85040523942

Attachment 1

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 18 April 1984

ANALYST: Mike Tangney

- I. COMMITTEE: Sheet Metal Workers International
Association Local Union No. 130
(C00161174)
Roger L. Hudspeth, Sr., Treasurer
P.O. Box 2465
West Palm Beach, FL 33402
- II. RELEVANT STATUTE: 2 U.S.C. 441b(a)
11 CFR 114.2(c)
- III. BACKGROUND: Apparent Prohibited Activity
2 U.S.C. 441b(a)
11 CFR 114.2(c)

The 1982 October Quarterly Report filed by the Sheet Metal Workers International Association Local Union No. 130 ("Local 130") disclosed a receipt of \$13,000 from Ray Advertising Inc. (Attachment 2). A Request for Additional Information ("RFAI") questioning whether the receipt represented a corporate contribution was mailed on November 9, 1983 (Attachment 3). A Second Notice was mailed on December 1, 1983 when Local 130 did not respond to the RFAI (Attachment 4).

On December 8, 1983, a response was received which stated that Local 130 intended to refund the contribution from Ray Advertising. The response further noted that since Local 130 did not have "sufficient money in the PAC's treasury to refund the contribution immediately, the PAC intends to refund the contribution by March 30, 1984" (Attachment 5).

On December 26, 1983, Robert Sugarman, the attorney representing Local 130, telephoned the RAD analyst to inquire if the measures described in the letter would be adequate in dealing with the contribution from Ray Advertising. Mr. Sugarman explained that the receipt in question did not actually represent a corporate contribution. He stated that several local unions had

85040523943

SHEET METAL WORKERS INTERNATIONAL
ASSOCIATION LOCAL UNION NO. 130
REPORTS ANALYSIS OGC REFERRAL
PAGE 2

financed advertising on behalf of Federal and State candidates with payments to Ray Advertising.*/ When all of the funds were not used by Ray Advertising, a refund was issued to Local 130. Mr. Sugarman stated that a response clarifying this information would be sent to the Commission (Attachment 6).

On January 13, 1984, the Reports Analyst telephoned Mr. Sugarman to determine if a response had been prepared. Mr. Sugarman stated that his clients had been busy and that he would try to meet with them the following week to obtain the information required to prepare a response (Attachment 7).

On February 13, 1984, a response was received from Robert Sugarman which stated that Local 130 had "sent a check for \$13,000 to Ray Advertising to refund this contribution." The response also included a copy of the check used to refund the money (Attachment 8). The RAD analyst telephoned Mr. Sugarman on February 14, 1984 to determine why the response did not provide any clarifying information concerning the advertising expenses to which he had referred in the conversation on December 26, 1983. Mr. Sugarman stated that the information in the letter indicating the refund to Ray Advertising was all that his clients wanted to report (Attachment 9).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None

*/ Reports filed by Local 130 do not disclose any disbursement to Ray Advertising in 1982. There were, however, two (2) direct contributions totalling \$5,615 made to Federal candidates.

85040523944

8 5 0 4 0 5 2 3 9 4 5

Attachment 1

Page 1 of 1

FEDERAL ELECTION COMMISSION
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) (81-82)DATE 5APR84
PAGE 1

NON-PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
SHEET METAL WORKERS INTERNATIONAL ASS'N LOCAL UNION NO 130(SHEETMETAL PAC 130)				NON-PARTY QUALIFIED		ID #C00161174
CONNECTED ORGANIZATION: SHEET METAL WORKER'S INT'L UNION						
1982 REQUEST FOR ADDITIONAL INFORMATION						
STATEMENT OF ORGANIZATION				30AUG82	1	82FEC/244/187
STATEMENT OF ORGANIZATION - AMENDMENT				4OCT82	3	82FEC/242/117
STATEMENT OF ORGANIZATION - AMENDMENT				22OCT82	4	82FEC/245/0615
STATEMENT OF ORGANIZATION - AMENDMENT				22OCT82	3	82FEC/251/2876
REQUEST FOR ADDITIONAL INFORMATION 2ND				22OCT82	3	82FEC/251/5202
APRIL QUARTERLY					1	82FEC/347/4522
JULY QUARTERLY				1JAN82 -31MAR82	5	82FEC/242/0691
PRE-PRIMARY				1APR82 -30JUN82	12	82FEC/242/0678
OCTOBER QUARTERLY				1JUL82 -26AUG82	14	82FEC/242/0664
OCTOBER QUARTERLY - AMENDMENT				1JUL82 -30SEP82	15	82FEC/250/3607
REQUEST FOR ADDITIONAL INFORMATION				1JUL82 -30SEP82	3	83FEC/289/0003
REQUEST FOR ADDITIONAL INFORMATION 2ND				1JUL82 -30SEP82	3	83FEC/286/4883
PRE-GENERAL				1JUL82 -30SEP82	4	83FEC/288/2138
PRE-GENERAL - AMENDMENT				1OCT82 -13OCT82	7	82FEC/250/3622
REQUEST FOR ADDITIONAL INFORMATION				1OCT82 -13OCT82	1	83FEC/289/0210
REQUEST FOR ADDITIONAL INFORMATION 2ND				1OCT82 -13OCT82	3	83FEC/287/1312
POST-GENERAL				14OCT82 -22NOV82	10	82FEC/257/3716
YEAR-END				22NOV82 -31DEC82	8	83FEC/265/3957
TOTAL					104	TOTAL PAGES

All reports have received condensed review

Ending cash on hand 12/31/82 \$1,587

Debts and obligations owed by the committee \$0

W

8 5 0 4 0 5 2 3 9 4 6

Attachment 2

Page 2 of 2

FEDERAL ELECTION COMMISSION
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) (83-84)

DATE 18APR84
PAGE 1

NON-PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
SHEET METAL WORKERS INTERNATIONAL ASS'N LOCAL UNION NO 130 (SHEETMETAL PAC 130)				NON-PARTY QUALIFIED		ID #C00161174
CONNECTED ORGANIZATION: SHEET METAL WORKER'S INT'L UNION						
1983	MID-YEAR REPORT	9,606	7,273	1JAN83 -30JUN83	14	83FEC/279/5082
	YEAR-END	4,449	4,058	1JUL83 -31DEC83	15	84FEC/295/4786
1984	MISCELLANEOUS REPORT			3APR84 TO FEC	4	84FEC/306/38
	APRIL QUARTERLY	14,681	15,816	1JAN84 -31MAR84	13	84FEC/309/3
	TOTAL	28,736	0	27,147	0	46 TOTAL PAGES

No reports have been reviewed

Ending cash on hand 3/31/84 - \$3,186

Debts and obligations owed by the committee - \$0

5

SCHEDULE A

ITEMIZED RECEIPTS

Page 1 of 1
 Date of Receipt: 11/16/82
 Signature: [Signature]
 2

1982 October Quarterly Report

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such sources.

Name of Committee (in Full) **Sheetmetal PAC 130**

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
UA PAC 630 1900 N. Florida Mango Rd. West Palm Beach, FL 33409		8-13-82	4,200.00
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date—\$	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Iron Workers PAC 402 1001 W. 15th St. Riviera Beach, FL 33404		8-18-82	4,200.00
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date—\$	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Ray Advertising 714 NE 8th St. Delray Beach, FL 33444		8-23-82	13,000.00
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date—\$	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date—\$	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date—\$	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date—\$	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date—\$	

SUBTOTAL of Receipts This Page (optional) 21,400.00

TOTAL This Period (last page this line number only)

85040523947



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

9 November 1983

RQ-2

Roger L. Hudspeth, Sr., Treasurer
Sheet Metal Workers International Association
Local Union No. 130
P.O. Box 2465
West Palm Beach, FL 33402

Identification Number: C00161174

Reference: October Quarterly Report (7/1/82-9/30/82)

Dear Mr. Hudspeth:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report discloses an apparent contribution(s) from a corporation(s) (pertinent portion attached). You are advised that a contribution from a corporation is prohibited by the Act, unless made from a separate segregated fund established by the corporation. (2 U.S.C. 441b(a)) If you have received a corporate contribution(s), the Commission recommends that you refund the full amount to the donor(s). The Commission should be notified in writing if a refund is necessary. In addition, any refund should appear on Line 27 of the Detailed Summary Page of your next report.

If you find the contribution(s) in question was disclosed incompletely or incorrectly, please amend your original report with the clarifying information.

Although the Commission may take further legal steps concerning the acceptance of a prohibited contribution, prompt action by you to refund the full amount will be taken into consideration by the Commission.

85040523948

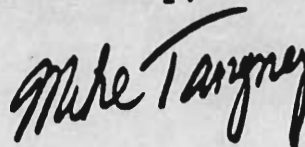
Attachment 3

6

7

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 357-0026.

Sincerely,



Mike Tangney
Reports Analyst
Reports Analysis Division

85040523949



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-3

December 1, 1983

Roger L. Hudspeth, Sr., Treasurer
Sheet Metal Workers International
Association Local Union No. 130
P.O. Box 2465
West Palm Beach, FL 33402

Identification Number: C00161174

Reference: October Quarterly Report (7/1/82-9/30/82)

Dear Mr. Hudspeth:

This letter is to inform you that as of November 30, 1983, the Commission has not received your response to our request for additional information, dated November 9, 1983. That notice requested information essential to full public disclosure of your Federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). A copy of our original request is enclosed.

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Mike Tangney on our toll-free number (800) 424-9530 or our local number (202) 357-0026.

Sincerely,

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure

85040523950

ATTACHMENT 4
8

LAW OFFICES

KAPLAN, SICKING, ROSEN, SUGARMAN, RUBIN, DE CASTRO

PROFESSIONAL ASSOCIATION

Attachment 5

1951 NORTHWEST 17th AVENUE
MIAMI, FLORIDA

MAILING ADDRESS
PO DRAWER 128117
MIAMI, FLORIDA 33117

December 2, 1983

Mike Tangney, Reports Analyst
Reports Analysis Division
Federal Election Commission
Washington, D. C. 20463

Re: Sheetmetal PAC 130
Identification No. C00161174

Dear Mr. Tangney:

This firm represents Sheetmetal Workers International Association Local Union No. 130 and its separate segregated fund, Sheetmetal PAC 130. Your letters of November 9th and 16th to Roger L. Hudspeth, Treasurer of the Political Action Committee and Business Manager of Local 130, have been forwarded to us for reply.

While our client does not admit that any of the matters alleged in both letters violate the Act, my client proposes to take the following action to settle the matters brought up in your letters.

Your November 9th, 1983 letter mentions a reported contribution from Ray Advertising. Sheetmetal PAC 130 intends to refund this contribution. Since there is not sufficient money in the PAC's treasury to refund the contribution immediately, the PAC intends to refund the contribution by March 30, 1984. After the refund is made, we will send you proof of the refund.

In your November 16, 1983 letter, you refer to an apparent contribution from a labor organization. However, the page from Schedule A which you attached clearly shows that the contribution was received from "Plumbers & Pipefitters Local 803 PAC Fund." We have confirmed that the full name of that Fund is the "Committee on Political Education of Plumbers & Pipefitters Local 803." It is a "state PAC" duly registered with the Division of Elections, Department of State, State of Florida, and on October 5,

STEVEN BLOOM
Labor Law
ALFREDO F. DE CASTRO
General Practice
STEVEN A. GOLDSTEIN
General Practice
PATRICK G. HELM
General Practice
ARNOLD B. HESSEN
Personal Injury and Wrongful Death
Family Law
JOSEPH H. KAPLAN
Labor Law
STEVEN LEVINE
Personal Injury and Wrongful Death
Family Law
GERALD A. ROSENTHAL
Workers' Compensation
ROBERT L. SCHWABER
Personal Injury and Wrongful Death
Family Law
RICHARD A. SICKING
Workers' Compensation
Administrative and Governmental Law
ROBERT T. STRAIN
General Practice
ROBERT A. SUGARMAN
Labor Law
HOWARD S. SUGARMAN
Labor Law

TELEPHONES

MIAMI: 325-1661
MIAMI BEACH: (904) 522-5199
WEST PALM BEACH: (407) 839-2262

WEST PALM BEACH OFFICE

4111 E. 80th • FORT MIAMI
1965 PALM BEACH LAKES BOULEVARD
WEST PALM BEACH, FLORIDA 33411
Tel. (407) 839-1987

85040523951

Mike Tangney, Reports Analyst
December 2, 1983
Page 2.

1981 was certified by the Florida Secretary of State as a committee of continuous existence pursuant to Florida Statute 106.04. Therefore, this contribution was not received from a labor organization but from a political committee.

Please advise us whether the proposed refund to Ray Advertising and the full identification of the Plumbers 803 political committee satisfies the concerns raised in your letter. In replying to this letter, please respond to our new Ft. Lauderdale office, 1136 S. E. 3rd Avenue, Ft. Lauderdale, Florida 33316, telephone (305) 467-1366.

Yours truly,

Robert A. Sugarman
Robert A. Sugarman

RAS:cw

cc: Roger L. Hudspeth, Sheetmetal Workers Local 130

85040523952
0103290704

TELECON

ANALYST Mike Tangney (11)

TELECON WITH: Robert A. Sugarman

Candidate/Committee: Sheet Metal Workers International Association Local Union
No. 130

DATE: 12/26/83

SUBJECT(S): Receipt of funds from Ray Advertising

Mr. Sugarman the attorney representing Local 130 telephoned to ask if the steps being taken to refund the money to Ray Advertising would be adequate. He added that the money did not actually represent a contribution from a corporation but that several local unions had financed advertising on behalf of federal and state candidates. When money was left over a refund was then made from Ray Advertising to Local 130. I informed Mr. Sugarman that he should provide a written response to the Commission to clarify this. He stated that it would take approximately two weeks to gather all of the information and that he would prepare a response with the clarifying information.

85040523953

TELECON

ANALYST Mike Tangney

(12)

TELECON WITH: Robert A. Sugarman

Candidate/Committee: Sheet Metal Workers International Association Local Union
No. 130

DATE: 1/13/84

SUBJECT(S): Response regarding receipt from Ray Advertising

I telephoned Mr. Sugarman to determine if he had prepared a response regarding the funds received from Ray Advertising Inc. He stated that his clients had been busy and as a result had not met with him yet to provide the clarifying information. He would, however, try to schedule a meeting for the following week in order to get the necessary information.

85040523954

LAW OFFICES

KAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL
SUSSKIND, BLOOM & DE CASTRO

FEB 13 49:31

STEVEN BLOOM
Labor Law
ALFREDO F. DE CASTRO
General Practice
NEAL L. GANON
PATRICK O. HELM
General Practice
ARNOLD D. HESSEN
Personal Injury and Wrongful Death
Family Law
JOSEPH M. KAPLAN
Labor Law
STEVEN LEVINE
Personal Injury and Wrongful Death
Family Law
GERALD A. ROSENTHAL
Worker's Compensation
SHARON M. SABEL
General Practice
ROBERT SCHMIDT
Personal Injury and Wrongful Death
Family Law
RICHARD A. SICKING
Worker's Compensation
Administrative and Governmental Law
RICHARD P. SIWICA
ROBERT T. STRAIN
General Practice
ROBERT A. SUGARMAN
Labor Law
HOWARD S. SUSSKIND
Labor Law

PROFESSIONAL ASSOCIATION

1861 NORTHWEST 17th AVENUE

P.O. DRAWER 880337

MIAMI, FLORIDA 33152

(305) 235-1881

WEST PALM BEACH OFFICE

SUITE 200 FORUM II

1675 PALM BEACH LAKES BOULEVARD

WEST PALM BEACH, FLORIDA 33401

(305) 853-8400

FORT LAUDERDALE OFFICE

1126 S.E. 2nd AVENUE

FORT LAUDERDALE, FLORIDA 33316

(305) 467-1386

REPLY TO:

FT. LAUDERDALE

February 8, 1984

Mike Tangney, Reports Analyst
Reports Analysis Division
Federal Election Commission
Washington, D. C. 20463

Re: Sheetmetal PAC 130/
Federal Election Commission

Dear Mr. Tangney:

This firm represents Sheetmetal PAC 130. This letter is a follow-up to my letter to you of December 2nd, 1983 concerning your letters of November 9th and 16th, 1983 to Roger L. Hudspeth, Treasurer of Sheetmetal PAC 130.

Your November 9th, 1983 letter mentioned a reported contribution to the PAC from Ray Advertising. On January 19th, 1984, our client sent a check for \$13,000 to Ray Advertising to refund this contribution. A copy of that check is enclosed.

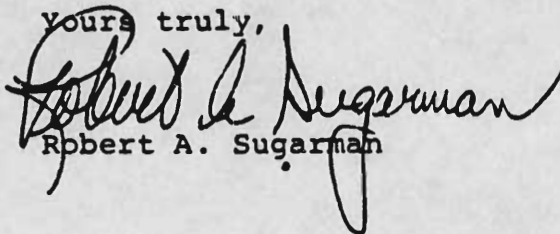
In your November 16th, 1983 letter, you referred to a contribution from the Plumbers and Pipefitters Local 803 PAC Fund. This \$1,000 contribution was made by the Committee on Political Education of Plumbers and Pipefitters Local 803 which is a "state PAC" duly registered with the Division of Elections, Department of State, of the State of Florida. You have advised us that the Local 803 PAC is not registered with the Commission. Since the Sheetmetal PAC 130 has no way of requiring the Local 803 PAC to federally register, Sheetmetal PAC 130 has instead refunded \$10 of the contribution made by the Local 803 PAC. This brings the Local 803 PAC's contribution to below the \$1,000 threshold. A copy of that refund check and accompanying letter is enclosed.

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Mike Tangney, Reports Analyst
February 8, 1984
Page 2.

We hope that these refunds satisfy the concerns raised
in your letters and will enable the Commission to close these
cases.

Yours truly,


Robert A. Sugarmam

RAS:cw

Enc.

cc: Roger Hudspeth

85040523956

15

SHEET METAL PAG 130
OK 80K 346
WEST PALM BEACH, FL 33402

4099

PAY TO THE ORDER OF *Raymond J. ...* 1-22-1974 \$13,000.00

Thirteen thousand and no/100 DOLLARS



FLAGSHIP BANK
OF WEST PALM BEACH
West Palm Beach, Florida 33402

INTEREST CHECKING

Raymond J. ...
President

000010995310670062701 627 24052535

85040523

TELECON

ANALYST Mike Tangney

(16)

Attachment 9

TELECON WITH: Robert A Sugarman, Attorney

Candidate/Committee: Sheet Metal Workers International Association Local Union
No. 130

DATE: February 14, 1984

SUBJECT(S): Receipt of funds from Ray Advertising

I telephoned Mr. Sugarman to ask why his letter of February 8, 1984 did not include any information clarifying the transaction between Local 130 and Ray Advertising. He stated that the information in the letter indicating the refund to Ray Advertising was all that his clients wanted to report.

85040523958



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Attachment 2

17

Roger L. Hudspeth, Sr., Treasurer
Sheet Metal Workers International
Association Local Union No. 130
P.O. Box 2465
West Palm Beach, Florida 33402

Re: MUR
Sheet Metal Workers
International Association
Local Union No. 130 (Sheet
Metal PAC 130)
Roger L. Hudspeth, Sr., Treasurer

Dear Mr. Hudspeth:

On May , 1984, the Federal Election Commission determined that there is reason to believe the Sheet Metal Workers International Association Local Union No. 130 (Sheet Metal PAC 130) and you, as treasurer, violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed questions, within ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form

85040523959

Letter to Roger L. Hudspeth
Page 2

stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Marybeth Tarrant, the staff member assigned to this matter, at (202)523-4000.

Sincerely,

Enclosures

Questions
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

85040523960

Roger L. Hudspeth, Sr., Treasurer
Sheetmetal PAC 130

QUESTIONS

On December 26, 1983, attorney Robert A. Sugarman, representing Sheetmetal PAC 130, told a Reports Analysis Division analyst that the \$13,000 accepted by Sheetmetal PAC 130 from Ray Advertising was not a contribution. Instead, Mr. Sugarman stated that several local unions had financed advertising on behalf of federal and state candidates through Ray Advertising and that whatever money was left over (\$13,000) was refunded to Local 130.

1. Was the \$13,000 accepted by Sheetmetal PAC 130 from Ray Advertising a contribution?
2. If the response to No. 1 is no, explain why Sheetmetal PAC 130 reported the \$13,000 from Ray Advertising as a "contribution"?
3. Did Sheetmetal PAC 130 participate in the securing of advertising on behalf of federal candidates through Ray Advertising in 1982?
 - a) If so, please state the names of the federal candidates involved.
 - b) If so, please state whether other local unions were involved and state the names of those unions.
 - c) If so, please state how much money Sheetmetal PAC 130 contributed to this effort.
 - d) If so, please state how Sheetmetal PAC 130 reported these expenditures on its FEC reports.
 - e) If so, please state why Ray Advertising refunded \$13,000 to Sheetmetal PAC 130.

85040523961

Page 2
Questions for Roger L. Hudspeth

4. Explain why Mr. Sugarman first told the Reports Analysis Division that the \$13,000 from Ray Advertising was not a contribution and later said that it was a contribution.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

President
Ray Advertising
714 NE 8th Street
Delray Beach, Florida 33444

Re: MUR
Ray Advertising

Dear Sir or Madam:

On May , 1984, the Federal Election Commission determined that there is reason to believe your corporation violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against your corporation. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your corporation, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

If your corporation intends to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

85040523963

Letter to Ray Advertising
Page 2

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Marybeth Tarrant, the staff member assigned to this matter, at (202)523-4000.

Sincerely,

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

8 5 0 4 0 5 2 3 9 6 4

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

Attachment 3

MUR No. _____

RESPONDENTS Sheet Metal Workers International Association
Local No. 130 (Sheet Metal PAC 130); Roger L.
Hudspeth, Sr., Treasurer

SUMMARY OF ALLEGATIONS

It is alleged that the Sheet Metal Workers International Association Local Union No. 130 (Sheet Metal PAC 130) ("Local 130") and its treasurer accepted a corporate contribution from Ray Advertising in violation of 2 U.S.C § 441b(a).

FACTUAL AND LEGAL ANALYSIS

The 1982 October Quarterly Report filed by Local 130 disclosed a receipt of \$13,000 from Ray Advertising. A Request for Additional Information ("RFAI") questioning whether the receipt represented a corporate contribution was mailed on November 9, 1983. A Second Notice was mailed on December 1, 1983, when Local 130 did not respond to the RFAI.

On December 8, 1983, a response was received which stated that Local 130 intended to refund the contribution from Ray Advertising. The response further noted that since Local 130 did not have "sufficient money in the PAC's treasury to refund the contribution immediately, the PAC intends to refund the contribution by March 30, 1984."

On December 26, 1983, Robert Sugarman, the attorney representing Local 130, telephoned the Reports Analysis Division ("RAD") analyst to inquire if the measures described in the letter would be adequate in dealing with the contribution from Ray Advertising. Mr. Sugarman explained that the receipt in

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question did not actually represent a corporate contribution. He stated that several local unions had financed advertising on behalf of federal and state candidates with payments to Ray Advertising. 1/ When all of the funds were not used by Ray Advertising, a refund was issued to Local 130. Mr. Sugarman stated that a response clarifying this information would be sent to the Commission.

On January 13, 1984, the Reports Analyst telephoned Mr. Sugarman to determine if a response had been prepared. Mr. Sugarman stated that his clients had been busy and that he would try to meet with them the following week to obtain the information required to prepare a response.

On February 13, 1984, a response was received from Robert Sugarman which stated that Local 130 had "sent a check for \$13,000 to Ray Advertising to refund this contribution." The response also included a copy of the check used to refund the money. The RAD analyst telephoned Mr. Sugarman on February 14, 1984, to determine why the response did not provide any clarifying information concerning the advertising expenses to which he had referred in the conversation on December 26, 1983. Mr. Sugarman stated that the information in the letter indicating the refund to Ray Advertising was all that his clients wanted to report.

1/ Reports filed by Local 130 do not disclose any disbursement to Ray Advertising in 1982. There were, however, two (2) direct contributions totalling \$5,615 made to Federal candidates.

Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution in connection with a federal election and a political committee is prohibited from knowingly accepting such a contribution. As all the written responses regarding the \$13,000 have categorized the money as a "contribution", 2/ it must be assumed that a corporate contribution was made and accepted. Therefore, the Office of General Counsel recommends that the Commission find reason to believe that Local 130 and Roger L. Hudspeth, Sr., as treasurer, violated 2 U.S.C. § 441b(a).

2/ On its 1984 April Quarterly Report, Local 130 reported refunding a \$13,000 "contribution" to Ray Advertising on January 19, 1984.

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GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. _____

RESPONDENT Ray Advertising

SUMMARY OF ALLEGATIONS

It is alleged that Ray Advertising made a \$13,000 contribution to the Sheet Metal Workers International Association Local Union No. 130 (Sheet Metal PAC 130) ("Local 130") in violation of 2 U.S.C. § 441b(a).

FACTUAL BASIS AND LEGAL ANALYSIS

The 1982 October Quarterly Report filed by Local 130 disclosed a receipt of \$13,000 from Ray Advertising. A Request for Additional Information ("RFAI") questioning whether the receipt represented a corporate contribution was mailed on November 9, 1983. A Second Notice was mailed on December 1, 1983, when Local 130 did not respond to the RFAI.

On December 8, 1983, a response was received which stated that Local 130 intended to refund the contribution from Ray Advertising. The response further noted that since Local 130 did not have "sufficient money in the PAC's treasury to refund the contribution immediately, the PAC intends to refund the contribution by March 30, 1984."

On December 26, 1983, Robert Sugarman, the attorney representing Local 130, telephoned the Reports Analysis Division ("RAD") analyst to inquire if the measures described in the letter would be adequate in dealing with the contribution from

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Ray Advertising. Mr. Sugarman explained that the receipt in question did not actually represent a corporate contribution. He stated that several local unions had financed advertising on behalf of federal and state candidates with payments to Ray Advertising. 1/ When all of the funds were not used by Ray Advertising, a refund was issued to Local 130. Mr. Sugarman stated that a response clarifying this information would be sent to the Commission.

On January 13, 1984, the Reports Analyst telephoned Mr. Sugarman to determine if a response had been prepared. Mr. Sugarman stated that his clients had been busy and that he would try to meet with them the following week to obtain the information required to prepare a response.

On February 13, 1984, a response was received from Robert Sugarman which stated that Local 130 had "sent a check for \$13,000 to Ray Advertising to refund this contribution." The response also included a copy of the check used to refund the money. The RAD analyst telephoned Mr. Sugarman on February 14, 1984, to determine why the response did not provide any clarifying information concerning the advertising expenses to which he had referred in the conversation on December 26, 1983. Mr. Sugarman stated that the information in the letter indicating the refund to Ray Advertising was all that his clients wanted to report.

1/ Reports filed by Local 130 do not disclose any disbursement to Ray Advertising in 1982. There were, however, two (2) direct contributions totalling \$5,615 made to Federal candidates.

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Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution in connection with a federal election and a political committee is prohibited from knowingly accepting such a contribution. As all the written responses regarding the \$13,000 have categorized the money as a "contribution", 2/ it must be assumed that a corporate contribution was made and accepted. Therefore, the Office of General Counsel recommends that the Commission find reason to believe that Ray Advertising violated 2 U.S.C. § 441b(a).

2/ On its 1984 April Quarterly Report, Local 130 reported refunding a \$13,000 "contribution" to Ray Advertising on January 19, 1984.

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Tarrant



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

18 April 1984

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: JOHN D. GIBSON
ASSISTANT STAFF DIRECTOR
REPORTS ANALYSIS DIVISION

SUBJECT: REFERRAL OF THE SHEET METAL WORKERS INTERNATIONAL
ASSOCIATION LOCAL UNION NO. 130

The Sheet Metal Workers International Association Local Union No. 130 ("Local 130") disclosed a receipt of \$13,000 on their 1982 October Quarterly Report which appeared to be from a corporation and which was subsequently refunded. However, based upon correspondence received at the Commission and conversations between the RAD analyst and the attorney representing Local 130, it is not clear if this receipt represents a corporate contribution or whether these funds are reimbursements for advertising made on behalf of Federal and State candidates by a group of local unions. Therefore, this matter is being referred to your office for further examination according to the Review and Referral Procedures (Chart 6).

If you have any questions on this matter, please contact Mike Tangney at 523-4048.

Attachments

85040523971

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 18 April 1984

ANALYST: Mike Tangney

- I. COMMITTEE: Sheet Metal Workers International
Association Local Union No. 130
(C00161174)
Roger L. Hudspeth, Sr., Treasurer
P.O. Box 2465
West Palm Beach, FL 33402
- II. RELEVANT STATUTE: 2 U.S.C. 441b(a)
11 CFR 114.2(c)
- III. BACKGROUND: Apparent Prohibited Activity
2 U.S.C. 441b(a)
11 CFR 114.2(c)

The 1982 October Quarterly Report filed by the Sheet Metal Workers International Association Local Union No. 130 ("Local 130") disclosed a receipt of \$13,000 from Ray Advertising Inc. (Attachment 2). A Request for Additional Information ("RFAI") questioning whether the receipt represented a corporate contribution was mailed on November 9, 1983 (Attachment 3). A Second Notice was mailed on December 1, 1983 when Local 130 did not respond to the RFAI (Attachment 4).

On December 8, 1983, a response was received which stated that Local 130 intended to refund the contribution from Ray Advertising. The response further noted that since Local 130 did not have "sufficient money in the PAC's treasury to refund the contribution immediately, the PAC intends to refund the contribution by March 30, 1984" (Attachment 5).

On December 26, 1983, Robert Sugarman, the attorney representing Local 130, telephoned the RAD analyst to inquire if the measures described in the letter would be adequate in dealing with the contribution from Ray Advertising. Mr. Sugarman explained that the receipt in question did not actually represent a corporate contribution. He stated that several local unions had

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SHEET METAL WORKERS INTERNATIONAL
ASSOCIATION LOCAL UNION NO. 130
REPORTS ANALYSIS OGC REFERRAL
PAGE 2

financed advertising on behalf of Federal and State candidates with payments to Ray Advertising.* When all of the funds were not used by Ray Advertising, a refund was issued to Local 130. Mr. Sugarman stated that a response clarifying this information would be sent to the Commission (Attachment 6).

On January 13, 1984, the Reports Analyst telephoned Mr. Sugarman to determine if a response had been prepared. Mr. Sugarman stated that his clients had been busy and that he would try to meet with them the following week to obtain the information required to prepare a response (Attachment 7).

On February 13, 1984, a response was received from Robert Sugarman which stated that Local 130 had "sent a check for \$13,000 to Ray Advertising to refund this contribution." The response also included a copy of the check used to refund the money (Attachment 8). The RAD analyst telephoned Mr. Sugarman on February 14, 1984 to determine why the response did not provide any clarifying information concerning the advertising expenses to which he had referred in the conversation on December 26, 1983. Mr. Sugarman stated that the information in the letter indicating the refund to Ray Advertising was all that his clients wanted to report (Attachment 9).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None

* Reports filed by Local 130 do not disclose any disbursement to Ray Advertising in 1982. There were, however, two (2) direct contributions totalling \$5,615 made to Federal candidates.

85040523973

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Attachment 1
Page 1 of 1FEDERAL ELECTION COMMISSION
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) (81-82)DATE SAPR84
PAGE 1

NON-PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
SHEET METAL WORKERS INTERNATIONAL ASS'N LOCAL UNION NO 130(SHEETMETAL PAC 130)				NON-PARTY QUALIFIED		ID #C00161174
CONNECTED ORGANIZATION:	SHEET METAL WORKER'S INT'L UNION					
1982	REQUEST FOR ADDITIONAL INFORMATION					1 82FEC/244/1876
	STATEMENT OF ORGANIZATION			30AUG82		3 82FEC/242/1179
	STATEMENT OF ORGANIZATION - AMENDMENT			40CT82		4 82FEC/245/0615
	STATEMENT OF ORGANIZATION - AMENDMENT			22OCT82		3 82FEC/251/2876
	STATEMENT OF ORGANIZATION - AMENDMENT			22OCT82		3 82FEC/251/5202
	REQUEST FOR ADDITIONAL INFORMATION 2ND					1 82FEC/247/4522
	APRIL QUARTERLY	5,160	0	1JAN82 -31MAR82		5 82FEC/242/0691
	JULY QUARTERLY	4,419	6,372	1APR82 -30JUN82		12 82FEC/242/0678
	PRE-PRIMARY	-	-	1JUL82 -26AUG82		14 82FEC/242/0664
	OCTOBER QUARTERLY	25,844	25,457	1JUL82 -30SEP82		15 82FEC/250/3607
	OCTOBER QUARTERLY - AMENDMENT	-	-	1JUL82 -30SEP82		3 83FEC/289/0003
	REQUEST FOR ADDITIONAL INFORMATION			1JUL82 -30SEP82		3 83FEC/286/4883
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1JUL82 -30SEP82		4 83FEC/288/2138
	PRE-GENERAL	1,000	4,000	1OCT82 -13OCT82		7 82FEC/250/3622
	PRE-GENERAL - AMENDMENT	-	-	1OCT82 -13OCT82		1 83FEC/289/0210
	REQUEST FOR ADDITIONAL INFORMATION			1OCT82 -13OCT82		3 83FEC/287/1313
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1OCT82 -13OCT82		4 83FEC/288/3878
	POST-GENERAL	1,984	1,493	14OCT82 -22NOV82		10 82FEC/257/3716
	YEAR-END	1,032	520	22NOV82 -31DEC82		8 83FEC/265/3957
	TOTAL	39,439	0 37,842	0		104 TOTAL PAGES

All reports have received condensed review

Ending cash on hand 12/31/82 \$1,587

Debts and obligations owed by the committee \$0

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Attachment 2

Page 2 of 2

FEDERAL ELECTION COMMISSION
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) (83-84)DATE 18APR84
PAGE 1

NON-PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
SHEET METAL WORKERS INTERNATIONAL ASS'N LOCAL UNION NO 130 (SHEETMETAL PAC 130)				NON-PARTY QUALIFIED		ID #C00161174
CONNECTED ORGANIZATION: SHEET METAL WORKER'S INT'L UNION						
1983	MID-YEAR REPORT	9,606	7,273	1JAN83 -30JUN83	14	83FEC/279/5082
	YEAR-END	4,449	4,058	1JUL83 -31DEC83	15	84FEC/295/4786
1984	MISCELLANEOUS REPORT			3APR84 TO FEC	4	84FEC/306/3825
	APRIL QUARTERLY	14,681	15,816	1JAN84 -31MAR84	13	84FEC/309/3460
	TOTAL	28,736	0	27,147	0	46 TOTAL PAGES

No reports have been reviewed

Ending cash on hand 3/31/84 - \$3,186

Debts and obligations owed by the committee - \$0

SCHEDULE A

ITEMIZED RECEIPTS

Page 1 of 1
 This schedule must be attached to the return for each year of the period covered by the receipts.
 1982 OCTOBER QUARTERLY
 2

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full) **Sheetmetal PAC 130**

A. Full Name, Mailing Address and ZIP Code UA PAC 630 1900 N. Florida Mango Rd. West Palm Beach, FL 33409 Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date-\$	Date (month, day, year) 8-13-82	Amount of Each Receipt This Period 4,200.00
B. Full Name, Mailing Address and ZIP Code Iron Workers PAC 402 1001 W. 15th St. Riviera Beach, FL 33404 Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date-\$	Date (month, day, year) 8-18-82	Amount of Each Receipt This Period 4,200.00
C. Full Name, Mailing Address and ZIP Code Ray Advertising 714 NE 8th St. Delray Beach, FL 33444 Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date-\$	Date (month, day, year) 8-23-82	Amount of Each Receipt This Period 13,000.00
D. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date-\$	Date (month, day, year)	Amount of Each Receipt This Period
E. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date-\$	Date (month, day, year)	Amount of Each Receipt This Period
F. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date-\$	Date (month, day, year)	Amount of Each Receipt This Period
G. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date-\$	Date (month, day, year)	Amount of Each Receipt This Period
SUBTOTAL of Receipts This Page (optional)			21,400.00
TOTAL This Period (last page this line number only)			

85040523976



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

9 November 1983

RQ-2

Roger L. Hudspeth, Sr., Treasurer
Sheet Metal Workers International Association
Local Union No. 130
P.O. Box 2465
West Palm Beach, FL 33402

Identification Number: C00161174

Reference: October Quarterly Report (7/1/82-9/30/82)

Dear Mr. Hudspeth:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report discloses an apparent contribution(s) from a corporation(s) (pertinent portion attached). You are advised that a contribution from a corporation is prohibited by the Act, unless made from a separate segregated fund established by the corporation. (2 U.S.C. 441b(a)) If you have received a corporate contribution(s), the Commission recommends that you refund the full amount to the donor(s). The Commission should be notified in writing if a refund is necessary. In addition, any refund should appear on Line 27 of the Detailed Summary Page of your next report.

If you find the contribution(s) in question was disclosed incompletely or incorrectly, please amend your original report with the clarifying information.

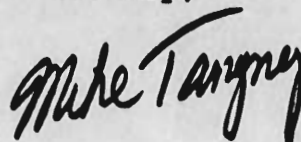
Although the Commission may take further legal steps concerning the acceptance of a prohibited contribution, prompt action by you to refund the full amount will be taken into consideration by the Commission.

85040523977

Attachment 3

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 357-0026.

Sincerely,



Mike Tangney
Reports Analyst
Reports Analysis Division

85040523978



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-3

December 1, 1983

Roger L. Hudspeth, Sr., Treasurer
Sheet Metal Workers International
Association Local Union No. 130
P.O. Box 2465
West Palm Beach, FL 33402

Identification Number: C00161174

Reference: October Quarterly Report (7/1/82-9/30/82)

Dear Mr. Hudspeth:

This letter is to inform you that as of November 30, 1983, the Commission has not received your response to our request for additional information, dated November 9, 1983. That notice requested information essential to full public disclosure of your Federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). A copy of our original request is enclosed.

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Mike Tangney on our toll-free number (800) 424-9530 or our local number (202) 357-0026.

Sincerely,

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure

85040523979

Attachment 4

LAW OFFICES

KAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL & DE CASTRO

PROFESSIONAL ASSOCIATION

RECEIVED BY THE FEC

Attachment 5

1991 NORTHWEST 17th AVENUE
MIAMI, FLORIDA

MAILING ADDRESS
PO DRAWER 128117
MIAMI, FLORIDA 33112

December 2, 1983

STEVEN BLOOM
Labor Law
ALFREDO F. DE CASTRO
General Practice
STEVEN A. GOLDBERG
General Practice
PATRICK G. HELM
General Practice
ARNOLD B. HESSEN
Personal Injury and Wrongful Death
Family Law
JOSEPH H. KAPLAN
Labor Law

STEVEN LEVINE
Personal Injury and Wrongful Death
Family Law
GERALD A. ROSENTHAL
Worker's Compensation
ROBERT L. SCHMIDT
Personal Injury and Wrongful Death
Family Law
RICHARD A. SICKING
Worker's Compensation
Administrative and Governmental Law
ROBERT T. STRAIN
General Practice
ROBERT A. SUGARMAN
Labor Law
HOWARD S. SUSKIND
Labor Law

TELEPHONES

815-125-1661
FROM BROWARD DIAL 920-8159
FROM PALM BEACH DIAL 659-2262

WEST PALM BEACH OFFICE

SUITE 907 • FORUM III
1665 PALM BEACH LAKES BOULEVARD
WEST PALM BEACH, FLORIDA 33411
Tel. No. 1-305-681-9881

Mike Tangney, Reports Analyst
Reports Analysis Division
Federal Election Commission
Washington, D. C. 20463

Re: Sheetmetal PAC 130
Identification No. C00161174

Dear Mr. Tangney:

This firm represents Sheetmetal Workers International Association Local Union No. 130 and its separate segregated fund, Sheetmetal PAC 130. Your letters of November 9th and 16th to Roger L. Hudspeth, Treasurer of the Political Action Committee and Business Manager of Local 130, have been forwarded to us for reply.

While our client does not admit that any of the matters alleged in both letters violate the Act, my client proposes to take the following action to settle the matters brought up in your letters.

Your November 9th, 1983 letter mentions a reported contribution from Ray Advertising. Sheetmetal PAC 130 intends to refund this contribution. Since there is not sufficient money in the PAC's treasury to refund the contribution immediately, the PAC intends to refund the contribution by March 30, 1984. After the refund is made, we will send you proof of the refund.

In your November 16, 1983 letter, you refer to an apparent contribution from a labor organization. However, the page from Schedule A which you attached clearly shows that the contribution was received from "Plumbers & Pipefitters Local 803 PAC Fund." We have confirmed that the full name of that Fund is the "Committee on Political Education of Plumbers & Pipefitters Local 803." It is a "state PAC" duly registered with the Division of Elections, Department of State, State of Florida, and on October 5,

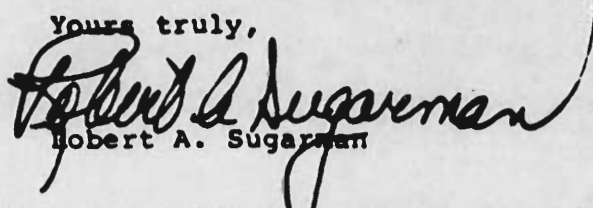
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Mike Tangney, Reports Analyst
December 2, 1983
Page 2.

1981 was certified by the Florida Secretary of State as a committee of continuous existence pursuant to Florida Statute 106.04. Therefore, this contribution was not received from a labor organization but from a political committee.

Please advise us whether the proposed refund to Ray Advertising and the full identification of the Plumbers 803 political committee satisfies the concerns raised in your letter. In replying to this letter, please respond to our new Ft. Lauderdale office, 1136 S. E. 3rd Avenue, Ft. Lauderdale, Florida 33316, telephone (305) 467-1366.

Yours truly,


Robert A. Sugarman

RAS:cw

cc: Roger L. Hudspeth, Sheetmetal Workers Local 130

85040523981
03032997704

TELECON

ANALYST Mike Tangney

TELECON WITH: Robert A. Sugarman

Candidate/Committee: Sheet Metal Workers International Association Local Union
No. 130

DATE: 12/26/83

SUBJECT(S): Receipt of funds from Ray Advertising

Mr. Sugarman the attorney representing Local 130 telephoned to ask if the steps being taken to refund the money to Ray Advertising would be adequate. He added that the money did not actually represent a contribution from a corporation but that several local unions had financed advertising on behalf of federal and state candidates. When money was left over a refund was then made from Ray Advertising to Local 130. I informed Mr. Sugarman that he should provide a written response to the Commission to clarify this. He stated that it would take approximately two weeks to gather all of the information and that he would prepare a response with the clarifying information.

85040523982

TELECON

ANALYST Mike Tangney

TELECON WITH: Robert A. Sugarman

Candidate/Committee: Sheet Metal Workers International Association Local Union
No. 130

DATE: 1/13/84

SUBJECT(S): Response regarding receipt from Ray Advertising

I telephoned Mr. Sugarman to determine if he had prepared a response regarding the funds received from Ray Advertising Inc. He stated that his clients had been busy and as a result had not met with him yet to provide the clarifying information. He would, however, try to schedule a meeting for the following week in order to get the necessary information.

85040523983

LAW OFFICES

KAPLAN, SICKING, HESSEN, SUGARMAN, ROSENTHAL
SUSSKIND, BLOOM & DE CASTROPROFESSIONAL ASSOCIATION
1851 NORTHWEST 17th AVENUE
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(305) 883-8400FORT LAUDERDALE OFFICE
1136 S.E. 2nd AVENUE
FORT LAUDERDALE, FLORIDA 33316
(305) 467-1388

February 8, 1984

REPLY TO:

FT. LAUDERDALE

STEVEN BLOOM
Labor Law
ALFREDO F. DE CASTRO
General Practice
NEAL L. GANON
PATRICK G. HELM
General Practice
ARNOLD D. HESSEN
Personal Injury and Wrongful Death
Family Law
JOSEPH H. KAPLAN
Labor Law
STEVEN LEVINE
Personal Injury and Wrongful Death
Family Law
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ROBERT T. STRAIN
General Practice
ROBERT A. SUGARMAN
Labor Law
HOWARD S. SUSSKIND
Labor Law

Mike Tangney, Reports Analyst
Reports Analysis Division
Federal Election Commission
Washington, D. C. 20463

Re: Sheetmetal PAC 130/
Federal Election Commission

Dear Mr. Tangney:

This firm represents Sheetmetal PAC 130. This letter is a follow-up to my letter to you of December 2nd, 1983 concerning your letters of November 9th and 16th, 1983 to Roger L. Hudspeth, Treasurer of Sheetmetal PAC 130.

Your November 9th, 1983 letter mentioned a reported contribution to the PAC from Ray Advertising. On January 19th, 1984, our client sent a check for \$13,000 to Ray Advertising to refund this contribution. A copy of that check is enclosed.

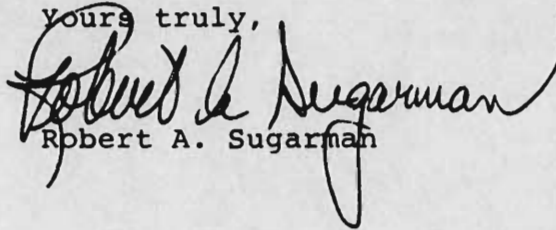
In your November 16th, 1983 letter, you referred to a contribution from the Plumbers and Pipefitters Local 803 PAC Fund. This \$1,000 contribution was made by the Committee on Political Education of Plumbers and Pipefitters Local 803 which is a "state PAC" duly registered with the Division of Elections, Department of State, of the State of Florida. You have advised us that the Local 803 PAC is not registered with the Commission. Since the Sheetmetal PAC 130 has no way of requiring the Local 803 PAC to federally register, Sheetmetal PAC 130 has instead refunded \$10 of the contribution made by the Local 803 PAC. This brings the Local 803 PAC's contribution to below the \$1,000 threshold. A copy of that refund check and accompanying letter is enclosed.

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Mike Tangney, Reports Analyst
February 8, 1984
Page 2.

We hope that these refunds satisfy the concerns raised
in your letters and will enable the Commission to close these
cases.

Yours truly,

A handwritten signature in dark ink, appearing to read "Robert A. Sugarman". The signature is fluid and cursive, with a large loop at the end of the last name. It is positioned above the printed name.

Robert A. Sugarman

RAS:cw
Enc.
cc: Roger Hudspeth

85040523985

8504052

TELECON

ANALYST Mike Tangney

Attachment 9

TELECON WITH: Robert A Sugarman, Attorney

Candidate/Committee: Sheet Metal Workers International Association Local Union
No. 130

DATE: February 14, 1984

SUBJECT(S): Receipt of funds from Ray Advertising

I telephoned Mr. Sugarman to ask why his letter of February 8, 1984 did not include any information clarifying the transaction between Local 130 and Ray Advertising. He stated that the information in the letter indicating the refund to Ray Advertising was all that his clients wanted to report.

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FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 1727

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