FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

9-21-87

THE FOLLOWING MATERIAL IS BEING ADDED TO THE PUBLIC FILE OF CLOSED MUR 1738

87040655055

RECEIVED
FEDERAL ELECTION COMMISSION
87 AUG 10 AM 10:52

ILLINOIS PUBLIC ACTION FUND
OPERATIONS ACCOUNT
220 S. STATE ST., SUITE 714
CHICAGO, IL 60604

2457

8/3 1987

2-77/710

PAY TO THE ORDER OF Treasurer of the United States $ 200.00

The sum of 200 dol's 00 cts DOLLARS

American National Bank and Trust Company of Chicago • Chicago, Illinois 60690

1142 1738

⑈002457⑈ ⑆071000770⑆ 04 016 904⑈

Mary H. Schaefer

40 56

QCC#4119

MEMORANDUM

TO: DEBRA A. TRIMIEW

FROM: CECILIA LIEBER

TO: CECILIA LIEBER

FROM: DEBRA A. TRIMIEW

RECEIVED
FEDERAL ELECTION COMMISSION
87 AUG 10 AM 10:52

CHECK NO. 2457 { A COPY OF WHICH IS ATTACHED } RELATING TO

MUR 1738 (Levin) AND NAME Citizens Action Non-Partican Pol. Action Fed'l. Campaign Cmte. of the Illinois Public Action Council ("CANPAC")

WAS RECIEVED ON 8/10/87. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT { 95F3875.16 }

/ ✓ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }

/ / OTHER _____

SIGNATURE Debra A. Trimpew DATE 8/10/87

2858

EXPLANATION	AMOUNT

ILLINOIS PUBLIC ACTION FUND
OPERATIONS ACCOUNT
220 S. STATE ST., SUITE 714
CHICAGO, IL 60604

1758

2-77/710

UNT The sum of 200 dol's 00 cts DOLLARS

ATE	TO THE ORDER OF	DESCRIPTION	CHECK NUMBER	CHECK AMOUNT
87	Treasurer of the United States	MUR 1738	1758	$ 200.00

AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO
CHICAGO, ILLINOIS 60690

Mary H. Schaefer

"001758" :071000770: 04 016 904"

0 0 0 5 4 0 5 7

RECEIVED
FEC MAR 10 AM 8:18
GENERAL COUNSEL

MEMORANDUM

TO: Debra A. Reed Trimiew

FROM: Cecil A. Licher

TO: Cecil A. Licher

FROM: Debra A. Reed Trimiew

CHECK NO. 1758 (a copy of which is attached) RELATING TO MUR 1738 (Levin) AND NAME Citizen Action/ Non-Partisan Political Action Fed'l. Campaign Cmte. of Illinois Public Action Council ("CANPAC").

WAS RECEIVED ON 3/10/87. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

RECEIVED
FEC MAR 10 AM 8:18
GENERAL COUNSEL

/ / BUDGET CLEARING ACCOUNT (#95F3875 1.6)

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

/ / OTHER _____

SIGNATURE Debra A. Trimiew DATE 3/10/87

CCC#3059

MEMORANDUM

TO: Debra A. Reed – Trimiew

FROM: Cecilia Lieber [redacted]

TO: Cecilia Lieber [redacted]

FROM: Debra A. Reed Trimiew

87 APR 23 PM 12:32

FEC MAIL CENTER

CHECK NO. 1858 (a copy of which is attached) RELATING TO MUR 1738 (Levin) AND NAME Citizens Action Non-Partisan Political Action Fed'l. Campaign Cmte. of the Illinois Public Action Council ("CANPAC") Robert Creamer, Treas.

WAS RECEIVED ON 4/7/87. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT ($95F3875.16)

/ ✓ CIVIL PENALTIES ACCOUNT ($95-1099.160)

/ / OTHER _____

SIGNATURE Debra A. Trimiew DATE 4/8/87

8704045058

CCC# 3059

ILLINOIS PUBLIC ACTION FUND
OPERATIONS ACCOUNT
220 S. STATE ST., SUITE 714
CHICAGO, IL 60604

EXPLANATION	AMOUNT
MUR 1738	

1858

87 APR 7 AM 10:02

2-7-7710

GENERAL

UNT

The sum of 200 dol's 00 cts DOLLARS

DATE	TO THE ORDER OF	DESCRIPTION	CHECK NUMBER	CHECK AMOUNT
4/7	Treasurer of the United States		1858	200.00

AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO
CHICAGO, ILLINOIS 60690

Mary H. Schuffner

⑈001858⑈ ⑆071000770⑆ 04 016 904⑈

0405405059

ILLINOIS PUBLIC ACTION FUND
OPERATIONS ACCOUNT
220 S. STATE ST., SUITE 714
CHICAGO, IL 60604

EXPLANATION	AMOUNT
MUR 1737	

1859

CCC# 3060

2-7-7710

UNT

The sum of 400 dol's 00 cts DOLLARS

87 APR 7

DATE	TO THE ORDER OF	DESCRIPTION	CHECK NUMBER	CHECK AMOUNT
4/7	Treasurer of the United States		1137	400.00

AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO
CHICAGO, ILLINOIS 60690

Mary H. Schuffner

⑈001859⑈ ⑆071000770⑆ 04 016 904⑈

RECEIVED
FEDERAL ELECTION COMMISSION
GENERAL COUNSEL
87 MAY 6 P3:00

EXPLANATION	AMOUNT	

ILLINOIS PUBLIC ACTION FUND
OPERATIONS ACCOUNT
220 S. STATE ST., SUITE 714
CHICAGO, IL 60604

1968

2-77/710

OUNT The sum of 200 dol's 00 cts DOLLARS

DATE	TO THE ORDER OF	DESCRIPTION	CHECK NUMBER	CHECK AMOUNT
5/6/87	Treasurer of the United States	MUR 1738	1968	$ 200.00

AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO
CHICAGO, ILLINOIS 60690

Mary H. Schaefer

"001968" :071000770: 04 016 904"

GCC 3313

RECEIVED
FEDERAL ELECTION COMMISSION
GENERAL COUNSEL
87 MAY 6 P3:09

MEMORANDUM

TO: Debra A. ~~Reed~~ Trimiew

FROM: Cecilia Lieber

TO: Cecilia Lieber

FROM: Debra A. ~~Reed~~ Trimiew

CHECK NO. 1968 (a copy of which is attached) RELATING TO MUR 1738 (Levin) AND NAME Citizens Action Non-Partisan Political Action Fed'l Campaign Cmte. of the Illinois Public Action Council ("CANPAC")

WAS RECEIVED ON 5/6/87. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT ($95F3875.16)

/ ✓ / CIVIL PENALTIES ACCOUNT ($95-1099.160)

/ / OTHER _____

SIGNATURE Debra A. Trimiew DATE 5/7/87

PUBLIC ACTION

7040540

ILLINOIS PUBLIC ACTION COUNCIL
One Quincy Court Chicago, IL 60604

SA 22



New England Neptune

Jonathan Levin
FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington D.C. 20463

87 MAY 4 A9:54

RECEIVED
THE FEC

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 1238

DATE FILMED 3/3/88 CAMERA NO. 2

CAMERAMAN AS

9904057040985

3 9 7 4 0 5 7 4 0 9 7

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 16 February 1984

ANALYST: Todd Johnson

I. COMMITTEE: Hayes for Congress Committee
(C00167254)
Odell Hicks, Treasurer
4859 South Wabash Avenue
Chicago, IL 60615

II. RELEVANT STATUTE: 2 U.S.C. 441a(f)
2 U.S.C. 434(b)(8)

III. BACKGROUND:

A. Receipt of Apparent Excessive Contributions - 2 U.S.C. 441a(f)

On the original 1983 12 Day Pre-Special Primary Report, the Hayes for Congress Committee ("the Committee") disclosed a $4,500 contribution received on June 22, 1983 from CANPAC Federal Campaign Committee of the Illinois Public Action Council ("CANPAC") (Attachment 2).1/ A Request for Additional Information ("RFAI") was mailed to the Committee on September 13, 1983, suggesting the committee refund the excessive portion to the donor (Attachment 3). On September 30, 1983, the Committee responded with a letter stating that they had refunded $3,500 to CANPAC on September 26, 1983. Accompanying the letter was a copy of the cancelled check written to CANPAC (Attachment 4).

In a telephone conversation on July 28, 1983 with the Committee treasurer, accountant, and attorney, the analyst was questioned about a hypothetical situation in which endorsed loans were contributions (Attachment 5).

On the 1983 12 Day Pre-Special General Report, filed August 12, 1983, the Committee disclosed the receipt of loans totalling $75,000 on Schedule C. The loans included a $25,000 loan from the Independence National Bank of Chicago, endorsed by six (6)

1/ CANPAC is a non-qualified political committee, and thus is limited to $1,000 in contributions to each candidate per election.

individuals and the candidate (Attachment 6). Additionally, a total of $50,000 in loans were reported on Schedule C from five (5) individuals and the candidate (Attachment 7).[2] None of the loans was disclosed on a Schedule A nor were the terms of the loans reported on Schedule C's.[3]

On September 27, 1983, an RFAI was sent to the committee, requesting that it repay any excessive contributions received in the form of loans or loan endorsements and that it report the terms of all loans (Attachment 9). The Committee was mailed a Second Notice on October 10, 1983 (Attachment 10).

The Committee treasurer, Lawrence Ragland, called on October 10, 1983 and stated that the loans totalling $50,000 had been repaid, and that the Committee was meeting with the Independence National Bank on October 24, 1983, regarding the remaining $25,000 loan (Attachment 11). Further, he stated that the Committee had held a joint fundraiser and would be able to repay that loan within the next two weeks.

The Committee's 30 Day Post Special General Report, received on September 22, 1983, disclosed repayment on September 9, 1983 of the $50,000 loan(s) plus $883.34 interest to the Independence National Bank of Chicago (Attachment 12). On November 16, 1983, the Committee filed an amendment with the Commission and stated that they had repaid "$50,000 of the $75,000 in loans from the Independence National Bank." [4] The Committee stated that they would repay the remaining $25,000 within the next couple of weeks with proceeds generated by a joint fundraising "Unity

---

[2]The only notification received by the Commission regarding receipt of these loans prior to the Special Primary election, was in the form of 24 hour notices. In telegrams received on July 20 and July 25, 1983, the Committee reported the receipt of two loans from the candidate totalling $75,000 (Attachment 8).

[3] No primary or general election designation was provided by the Committee on the Schedule C or on the cover of the report. Later Amendments disclose that the loans were received for the Special Primary Election (Attachment 16).

[4] Following a review of the 30 Day Post Special General Report and the November 16, 1983 amendment, some confusion remained regarding the original reporting of the loans from individuals. Although subsequent amendments agree with the original reporting of the $50,000, this amendment and the original report disclosed that the entire $75,000 was borrowed from the Independence National Bank of Chicago.

Dinner held October 14, 1983" (Attachment 13). Attached to this letter was a copy of the joint fundraising agreement referencing the Unity Dinner (Attachment 14).

In a conversation with Lawrence Ragland on December 7, 1983, the reports analyst was informed that the Committee had repaid the remaining $25,000 loan on December 2, 1983 (Attachment 15). Reporting problems related to the receipt and repayment of the loans were discussed. Mr. Ragland stated that amended 12 Day Pre-Special General and 30 Day Post Special General Reports would be forthcoming.

On December 13, 1983, the Committee filed amended 12 Day Pre-Special General and 30 Day Post Special General Reports. These amendments included Schedule A's disclosing the receipt date of all loans and the designation of the loans for the Special Primary election (Attachment 16). Also included were Schedule B's disclosing the repayment of the $50,000 in loans to five (5) individuals (Attachment 17). The Committee also stated that the remaining $25,000 loan was repaid on December 2, 1983 and provided a copy of the loan agreement with the bank, marked "Paid", and enacted December 2, 1983 (Attachment 18 and 19). The agreement also disclosed the terms of the $25,000 loan.

The following is a summary of apparent excessive contributions by individuals in the form of loans and loan endorsements:

NAME	EXCESSIVE AMOUNT	DATE RECEIVED	DATE REFUNDED
*Jolyn Robichaux	$3,571[5/]	7/15/83	12/2/83
*Sid Ordower	$2,571	7/15/83	12/2/83
*Ernest Bush	$2,571	7/15/83	12/2/83
*Robert Vaughn	$2,571	7/15/83	12/2/83
*Chatman Wailes	$2,571	7/15/83	12/2/83
*James L. Wright	$2,571	7/15/83	12/2/83
**Al Johnson	$7,334	7/25/83	9/12/83
**Howard Medley	$7,334	7/25/83	9/12/83
**Edwin Berry	$7,333	7/25/83	9/12/83
**Addie Wyatt	$7,333	7/25/83	9/12/83
**Jacoby Dickens	$7,333	7/25/83	9/12/83

5/ (See **OTHER PENDING MATTERS**)

* These individuals were endorsers on a $25,000 loan along with the candidate. Each endorsed the full amount of the loan. According to 11 CFR 100.8(b)(B)(12) endorsers are liable for an equal portion of the unpaid balance of the loan.

** The original source of these loans remains in question. The original reporting discloses these as individual loans to the Committee (Attachment 7). Subsequent reports and amendments state that the money was borrowed from the Independence National Bank of Chicago (Attachments 12 and 13).

3 3 0 4 0 5 7 4 0 8 9

B. Failure to Properly Itemize Loans - 2 U.S.C. 434(b)(8)

The Committee's 30 Day Post Special General Election Report, received on September 22, 1983, disclosed a $40,000 loan from the candidate (Attachment 20). The report failed to itemize the receipt of the loan on a Schedule A and failed to provide the date, terms, and source of the funds on the Schedule C. An RFAI was mailed on October 25, 1983, requesting a Schedule A, the terms of the loan, and the original source of the funds (Attachment 21). The Committee was mailed a Second Notice on November 17, 1983, (Attachment 22). In an amendment filed on December 13, 1983, the Committee provided a Schedule A which gave a receipt date of September 12, 1983 and increased the amount of the loan to $40,850 (Attachment 23). The Schedule C did not disclose the terms of the loan or the original source of the funds (Attachment 24).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

On the 1983 12 Day Pre-Special General Report the Committee disclosed the receipt of $1,000 from Jolyn Robichaux designated for the Special Primary Election (Attachment 25). This amount does not include the loan endorsement by Ms. Robichaux for the Special Primary Election. On the December 13, 1983 amendment to the 30 Day Post Special General Report filed by the Committee, a Schedule B was included which disclosed a $2,000 refund to Jolyn Robichaux on August 15, 1983 (Attachment 26).

On February 7, 1984, an RFAI requesting clarification regarding the matter was sent to the Committee (Attachment 27). To date there has been no response.

ATTACHMENT 3 (page 1 of 2) FILED 9/26/83

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

13 September 1983

Odell Hicks, Jr., Treasurer
Hayes for Congress Committee
4859 South Wabash Avenue
Chicago, IL 60615

Identification Number: C00167254

Reference: 12 Day Pre-Special Report (5/9/83-7/6/83)

Dear Mr. Hicks:

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:

-Schedule A of your report (pertinent portion attached) discloses a contribution(s) which appears to exceed the limits set forth in the Act. An individual or a political committee, other than a multicandidate committee may not make contributions to a candidate for Federal office in excess of $1,000 per election. If you have received a contribution(s) which exceeds the limits, the Commission recommends that you refund to the donor(s) the amount in excess of $1,000. The Commission should be notified in writing if a refund is necessary. In addition, any refund should appear on Line 20(c) of the Detailed Summary Page of your next report. (2 U.S.C. 441a(a) and (f))

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.

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 an excessive contribution(s), prompt action by you to refund the excessive 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 Clerk of the House of Representatives, 1036 Longworth House Office Building,

9/13

9-15

Washington, DC 20515 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) 523-4172.

Sincerely,

R. Todd Johnson
Reports Analyst
Reports Analysis Division

9330432874093321

SEP 28 1983
REGULAR MAIL

IL-01

Charles Hayes

ATTACHMENT 4 (page 1 of 2)

1983 12 Day Pre-Special Primary Amended Report

Democrat
First District

Chair: James L. Wright

Co-chairs: Peggy A. Montes
Sid Ordower

Hayes for Congress Committee
4859 South Wabash
Chicago, Ill. 60615
373-2200

September 26, 1983

Mr. Benjamin A. Guthrie, Clerk
U. S. House of Representatives
Office of Clerk of the House
1036 Longworth House Office Building
Washington, D. C. 20515

106097

References: 12 day Pre-Special Report (5/9/83-7/6/83
I.D. C00167254

Dear Mr. Guthrie:

In response to Mr. R. Todd Johnson's question on the contribution on Schedule A of the reports listed in the above report dates, i. e. C.A.N. Pac, 59 East Van Buren, Suite 1210, Chicago, Illinois, please be advised that they did not meet one of the requirements of a multicandidate Committee, i.e. having received 50 or more contributions during the periods listed.

I have therefore isssued Check #1274 in the amount of $3500.00 to C.A.N. Pac (copy enclosed) as required by Federal Law which prohibits contributions in excess of $1,000.00 per election unless a multicandidate committee.

I hope this satisfactorily clears up this matter.

Sincerely,

Odell Hicks

Odell Hicks, Treasurer

Paid for by Hayes for Congress Committee

83012501342

ATTACHMENT 5

MEMORANDUM FOR FILES:TELECON

SUBJECT: 441a information

DATE: July 28, 1983

FROM: Odell Hicks, Jr., Committee Treasurer
Lawrence Ragland, Committee Accountant
Committee Attorney

TO: R. Todd Johnson, Reports Analyst

NAME OF COMMITTEE: Hayes for Congress Committee
Illinois, C00167254

I received a conference call from the treasurer, accountant, and attorney for the Hayes for Congress Committee who were seeking information regarding loan endorsers as contributors to the Committee. Mr. Hicks asked where the Act or Regulations stated that an endorser was considered a contributor? I referred them to 11 CFR 100.7(a)(1)(i)(C). The Committee's attorney asked a hypothetical question regarding the same topic. He asked if there were some way for the committee to avoid problems if it had borrowed $10,000 with only four (4) endorsers?

I informed the officials of three ways to avert problems. First, I told them that they could seek six (6) more individuals to endorse the loan. Second, they could have the candidate endorse $6,000 of the loan (or $2,000 if the original endorsers guaranteed $1,000 per each election and had not made any other contributions). Finally, I informed the Committee that by refunding the excessive amounts immediately, the Committee might avoid problems with the Commission.

They thanked me for my assistance and I told them to feel at liberty to call if I could be of further help.

9940567/4024

1983 Special Primary 24 Hour

4412

0-048894820(07/20/83 ICS IPMMBBZ CSP PDMT
3125382700 TDBN CHICAGO IL 1?? 07-20
0636P EST 1611Y EST

western union **Telegram**

C00167254

106097

BENJAMIN A GUTHRIE, CLERK
U.S. HOUSE OF REPRESENTATIVES RPT DLV MGM
OFFICE OF THE CLERK OF THE HOUSE
1036 LONGWORTH HOUSE OFFICE BLDG
WASHINGTON DC 20515

M54

83 JUL 21 AM 9:20

PURSUANT TO FEC CAMPAIGN REGULATION SECTION 104.5(F) REGARDING LAST MINUTE CONTRIBUTIONS, THE PAYES FOR CONGRESS COMMITTEE IS REPORTING THE FOLLOWING CONTRIBUTIONS RECEIVED SUBSEQUENT TO THE REPORT OF JULY 6, 1983 AFL-CIO COPE $2,5[illegible] 16 STREET NORTHWEST WASHINGTON DC 20006 CHARLES PAYES (CANDIDATE) $25,000 LCA[illegible] 4659 SOUTH WABASH AVENUE CHICAGO, ILLINOIS 60615, ARTHUR J SMITH SR $1,000 363 EAST 90 PLACE CHICAGO, ILLINOIS 60619, JACQUELINE SMITH $1,000 363 EAST 90 PLACE CHICAGO, ILLINOIS 60619, EARL A DIETSCH $1,000 1 NORTH LASALLE STREET CHICAGO, ILLINOIS 60602, E A REED $1,000 106 EAST COCK STREET ST PAUL, MINNESOTA 55117, HOTEL EMPLOYEES AND RESTAURANT EMPLOYEES T.I.P. $1,000 1875 HIGH STREET NORTHWEST WASHINGTON, DC 20006, AMERICAN FEDERATION OF TEACHERS POLITICAL ACTION COMMITTEE $2,000 11 DUPONT CIRCLE NORTHWEST WASHINGTON DC 20036, JOLYN ROBICHAUX $1,000 4825 SOUTH INDIANA AVENUE, CHICAGO, ILLINOIS 60615, ODLETHA MERRITT $1,000 [illegible]100 SOUTH BISHOP CHICAGO, ILLINOIS 60620, GENEVA DWYER $1,000 9004 SOUTH CORNELL CHICAGO, ILLINOIS 60617

LAWRENCE [illegible]AND CPA ASSISTANT TREASURER PAYES FOR CONGRESS COMMITTEE

AG 7/22

830247087[illegible]

4412

4-009B618204 07/25/83 ICB IPMBNBI CSP PDMT
3125382700 TDBM CHICAGO IL 43 07-25
0938A EST 09141 EST

Western Union

Telegram

7/25

106097

C00167254

BENJAMIN J GUTHRIE CLERK
U.S. HOUSE OF REPRESENTATIVES RPT DLY PGM, DLR
OFFICE OF THE CLERK 1036 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON DC 20515

'83 JUL 25 PM

MS4

PURSUANT TO FEC CAMPAIGN REGULATION, SECTION 104.3 (PREPARING LAST MINUTE CONTRIBUTIONS, THE PAYEE FOR CONGRESS COMMITTEE IS REPORTING THE FOLLOWING CONTRIBUTION RECEIVED SUBSIGUENT TO THE REPORT OF JULY
1 1983 CHARLES HAYES CANDIDATE 850.000 LOAN 4859 SOUTH WABASH AVENUE CHICAGO ILLINOIS 60615
LAWRENCE ROSLAND CPA ASSISTANT TREASURER PAYEE FOR CONGRESS COMMITTEE
4859 SOUTH WABASH AVE
CHICAGO IL 60615

09141 EST

IPMPDMX WBM

AC 7/26 RM 7/24 lm 7/27

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

27 September 1983

Odell Hicks, Jr., Treasurer
Hayes for Congress Committee
4859 South Wabash Avenue
Chicago, IL 60615

Identification Number: C00167254

Reference: 30 Day Post-Special Report (7/7/83-8/3/83)

Dear Mr. Hicks:

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:

-Schedule C of your report (pertinent portion attached) discloses a contribution(s) which appears to exceed the limits set forth in the Act. An individual or a political committee, other than a multicandidate committee may not make contributions to a candidate for Federal office in excess of $1,000 per election. If you have received a contribution(s) which exceeds the limits, the Commission recommends that you refund to the donor(s) the amount in excess of $1,000. The Commission should be notified in writing if a refund is necessary. In addition, any refund should appear on Line 20 of the Detailed Summary Page of your next report. (2 U.S.C. 44la(a) and (f))

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.

The term "loan" includes any guarantee, endorsement, and any other form of security. (100.7(a)(1)) Additionally, each endorser and guarantor must be itemized on a Schedule C along with their mailing address, the name of their employer and their occupation, and the amount which each individual guaranteed. (104.3(d))

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

RT

39040574097

RT

Although the Commission may take further legal steps concerning the acceptance of an excessive contribution(s), prompt action by you to refund the excessive amount will be taken into consideration by the Commission.

-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 they are made from a separate segregated fund established by the corporation. 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 20(a) of the Detailed Summary Page of your next report. (2 U.S.C. 441b(a))

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.

-On the Detailed Summary Page, Line 11(a) Column A minus the unitemized receipts should equal $10,220. The total of all entries itemized on Schedule A for Line 11(a) equals $14,150. These totals should be the same. Please explain the discrepancy and amend your report(s) accordingly. (11 CFR 104.3(a))

-Line 11(c), Column A, of the Detailed Summary Page discloses $15,540 in receipts. Schedule A supporting Line 11(c) itemizes $12,610. These amounts should be the same. Please explain the discrepancy and amend your report(s) accordingly. (11 CFR 104.3(a))

-Please provide a Schedule B to support the amount reported on Line 20(a), Column A of the Detailed Summary Page. Each contribution refund or other offset to contributions must be itemized on Schedule B, if the refund is part of a contribution which was previously itemized as a receipt on Schedule A. (2 U.S.C. 434(b)(5)(E))

-Commission Regulations require the continuous reporting of all outstanding debts/loans. Review of this report indicates an omission of debts itemized on your previous report(s). (11 CFR 104.3(d) and 104.11) Please amend

83040674028

your report to indicate the current status of these omitted debts:

$600 to Constance Howard

-Please note for future reports that contributions from political committees and contributions from individuals should be reported on separate Schedules A.

-When a committee reports receiving a loan from the candidate, it is necessary to clarify whether or not the candidate used his/her personal funds or borrowed the money from a lending institution or other source. If the candidate borrowed funds from a lending institution or any other source, please provide the name of the lending institution and the complete terms of the loan. If the loan(s) was from personal funds, please acknowledge that fact in an amendment to this report. Further, it is important to note that "personal funds" is strictly defined by Commission regulations and may be found in 11 CFR 110.10. (11 CFR 100.7(a)(1) and 104.3(d))

An amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 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) 523-4048.

Sincerely,

R. Todd Johnson
Reports Analyst
Reports Analysis Division

8804057409

ATTACHMENT 10

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-3

October 20, 1983

Odell Hicks, Jr., Treasurer
Hayes for Congress Committee
4859 South Wabash Avenue
Chicago, IL 60615

Identification Number: C00167254

Reference: 30 Day Post-Special Report (7/7/83-8/3/83)

Dear Mr. Hicks:

This letter is to inform you that as of October 19, 1983, the Commission has not received your response to our request for additional information, dated September 27, 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 R. Todd Johnson on our toll-free number (800) 424-9530 or our local number (202) 523-4048.

Sincerely,

John D. Gibson

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure

[redacted]

ATTACHMENT 11

MEMORANDUM FOR FILES:TELECON

SUBJECT: Loan Repayments

DATE: October 10, 1983

FROM: Lawrence Ragland, Committee Accountant

TO: R. Todd Johnson, Reports Analyst

NAME OF COMMITTEE: Hayes for Congress Committee
Illinois C00167254

Mr. Ragland called in response to my RFAI of September 27, 1983, and offered his regrets for not responding sooner. He informed me that the Committee had repaid the $50,000 in personal loans on September 12, 1983, at the request of the individuals who had gotten very nervous. Further, he stated that the Committee had completed their joint fundraiser and would be meeting with the Independence National Bank on October 24, 1983, to repay that loan. I informed Mr. Ragland that it would be necessary for him to notify the Commission in writing about each repayment. Additionally, I stated that he should amend his reports to reflect the information requested in my RFAI's.

Mr. Ragland asked if he should attach a copy of the loan agreement when the repayment was negotiated? I told him that was not necessary, but that he may wish to attach a copy of the cancelled check.

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ATTACHMENT 13

LRC
Certified Public Accountants

LAWRENCE RAGLAND & COMPANY

10046 S WESTERN AVENUE • CHICAGO, ILLINOIS 60643 • 312/445-3588

REGULAR MAIL

NOV 11 1983

November 7, 1983

Mr. Todd Johnson, Report Analyst
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

ID# C00167254

SUBJECT: POST SPECIAL REPORT 7 7/83 - 8/ 3/83
10 DAY POST - RUN OFF REPORT 8/4/83 - 9/12/83

Dear Todd:

I received all letters from you and Mr. Gibson requesting additional information or explanation about the above reports.

I do indeed apologize for taking so long to respond to your letters. But, for the last three weeks the person who prepared the reports has been on vacation, but she has returned and we shall be filing amended reports within the next few weeks. However, I can, in this letter address some of your concerns as indicated below:

A. Your letter dated September 27, 1983 - Report 7/7/83 - 8/3/83

RT

The loan as reported on Schedule C does indeed exceed the statutory limits of contributions as indicated in FEC regulations. However, the committee has repaid $50,000 of the $75,000 loan to Independence Bank. The remaining outstanding loan balance will be paid off within the next couple of weeks, I assume, because we have generated the proceeds through our Unity Dinner held October 14, 1983. (A copy of the Unity Dinner Agreement is enclosed.)

Further, we agree with your findings on the detailed summary page that line 11a should be $19,769.34 and 11c should be $12,610 instead of $23,699.34 and $15,540.00 respectively. We are therefore in the process of preparing an amended report for the period 7/7/83 - 8/3/83. All unpaid debts will be reported on the amended return.

Discover The Magnificent Miles of Illinois

ATTACHMENT I (page 1 of 7) IL-01

RECEIVED OCT - 3 1983

MEMORANDUM

TO: UNITY DINNER -- JOINT FUNDRAISER COMMITTEE

FROM: THOMAS P. COFFEY

DATE: SEPTEMBER 21, 1983

RE: PROCEDURES FOR IMPLEMENTING UNITY DINNER -- JOINT FUNDRAISER

RECEIVED
OFFICE OF RECORDS & REGISTRY
1983 NOV 16 PM 3:01
U.S. HOUSE OF REPRESENTATIVES
CLERK'S OFFICE

The following steps must be taken in order to conduct the October 14, 1983, Unity Dinner -- Joint Fundraiser:

1. Each of the six participating political committees must sign the attached Joint Fundraising Agreement.

2. The Charles Hayes Finance Committee must accept responsibility as the Fundraising Representative and comply with the requirements of 11 C.F.R. §102.17 et seq.

3. All of the other participating political committees must also comply with the appropriate requirements of 11 C.F.R. §102.17 et seq.

4. Each of the participating political committees must make their debt records and contributor records available to the Fundraising Representative in order to permit the Fundraising Representative to properly screen contributions.

5. Each participating political committee must amend its Statement of Organization to reflect an additional depository account with the Independence Bank, entitled "Unity Dinner -- Joint Fundraiser."

6. The Joint Fundraising Representative must open a separate depository account in the Independence Bank entitled Unity Dinner -- Joint Fundraiser in which all contributions to the joint fundraiser must be deposited within ten (10) days of receipt.

7. Approximately seven hundred fifty (750) tickets should be printed in a format consistent with the attached ticket sample.

TPC:cls

Attachments

88304025 7 Apr 04

JOINT FUNDRAISING AGREEMENT

WHEREAS, certain candidates in the July 26, 1983, Democratic Primary Election for the First Illinois Congressional District desire to hold a joint fundraising Unity Dinner Benefit on Friday, October 14, 1983, in the International Ballroom of the Conrad Hilton Hotel; and,

WHEREAS, said joint fundraiser will be held at the same time and place as a fundraiser scheduled by the Charles Hayes Finance Committee; and,

WHEREAS, the purpose of the joint fundraiser is to defray the primary campaign debt of the following participating candidates: Lu Palmer, Al Raby, Larry S. Bullock, Charles Chew and Ralph Metcalfe, Jr.

NOW, THEREFORE, it is hereby agreed:

1. That the following candidates through their political committees will participate in the joint fundraiser: Charles Hayes, Lu Palmer, Al Raby, Larry S. Bullock, Charles Chew and Ralph Metcalfe, Jr.;

2. That the Charles Hayes Finance Committee shall act as the Fundraising Representative for said joint fundraiser;

3. That for the purposes of said joint fundraiser said Fundraising Representative shall be a reporting political

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Committee and an authorized committee of each participating candidate, and shall have the duties and responsibilities enumerated at 11 C.F.R. §102.17, et seq.;

4. That for the purposes of said joint fundraiser each of the political committees of the participating candidates shall comply with the requirements of 11 C.F.R. §102.17 et seq.; and cooperate with said Fundraising Representative, as required;

5. That all contributions for the joint fundraiser shall be made payable to the "Unity Dinner -- Joint Fundraiser;"

6. That all contributions for the joint fundraiser shall be forwarded to the Fundraising Representative who shall deposit all joint fundraising proceeds in a separate depository account at the Independence Bank within ten (10) days of receipt;

7. That tickets for the joint fundraiser shall sell for $100.00 each, and there shall be a cash bar;

8. That a total of seven hundred fifty (750) tickets shall be sold for the joint fundraiser;

9. The political committees of each of the following participating candidates shall share in the proceeds and expenses of the joint fundraiser in the following percentages: Lu Palmer -- 52%; Al Raby -- 25%; Larry S. Bullock -- 9%; Charles Chew -- 8%; Ralph Metcalfe, Jr. -- 6%;

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10. That notwithstanding the foregoing formula for allocating proceeds and expenses, the maximum distribution of proceeds to any of the political committees shall be limited to eighty-five per cent (85%) of such political committee's debt as of September 20, 1983.

11. That any funds remaining after distribution of the proceeds in accordance with the provisions of paragraphs 9 and 10 hereof shall be distributed equally among those political committees of the participating candidates that have had less than eighty-five per cent (85%) of their September 20, 1983, debts satisfied;

12. That if eighty-five per cent (85%) of the September 20, 1983, debts of all of the political committees of the participating candidates are satisfied, any remaining funds will be allocated to the Charles Hayes Finance Committee;

13. That the political committees of each of the participating candidates shall exercise their best efforts to promote ticket sales for the Unity Dinner -- Joint Fundraiser.

DATED this _____ day of September, 1983.

LARRY S. BULLOCK FOR CONGRESS

By_____

CHARLES HAYES FINANCE COMMITTEE

By_____

CHEW FOR CONGRESS COMMITTEE

By_____

PEOPLE FOR PALMER FOR CONGRESS

By_____

METCALFE IN 83

By_____

RABY FOR CONGRESS

By_____

SAMPLE TICKET

[FRONT OF TICKET]

[BLUE BACKGROUND WITH WHITE LETTERING]

THE HONORABLE HAROLD WASHINGTON, MAYOR, CITY OF CHICAGO

-- HONORARY CHAIRMAN --

cordially invites you to attend a

UNITY DINNER -- JOINT FUNDRAISER

Conrad Hilton International Ballroom

FRIDAY, OCTOBER 14, 1983

6:00 P.M. Cocktails — 7:00 P.M. Dinner

CASH BAR — ONE HUNDRED DOLLARS

Copies of our reports filed with the Federal Election Commission and are available for purchase from the Federal Election Commission, Washington, D.C.

(See reverse side for additional information.)

NO

83040257 4310-8

SAMPLE TICKET

[BACK OF TICKET]

[BLUE BACKGROUND WITH WHITE LETTERING]

This Unity Dinner -- Joint Fundraiser is sponsored by the Charles Hayes Finance Committee and the following participating political committees, which shall share in the proceeds and expenses of the joint fundraiser in the following percentages: People For Palmer For Congress -- 52%; Raby For Congress -- 25%; Larry S. Bullock For Congress -- 9%; Chew For Congress Committee -- 8%; Metcalfe In 83 -- 6%.

The foregoing allocation formula may be changed for any contributor who makes a contribution which would exceed the amount that contributor may give to any of the participating committees. Additionally, notwithstanding the allocation formula, contributions may be designated for a particular political committee or committees; and, in such case checks should be made payable accordingly. The formula may also be changed, if a participating committee receives sufficient funds to pay its outstanding debts. If all of the debts of all the participating committees are satisfied, remaining funds will be allocated to the Charles Hayes Finance Committee.

Checks for the joint fundraiser should be made payable to: "Unity Dinner -- Joint Fundraiser."

83040225731

MEMORANDUM FOR FILES:TELECON

SUBJECT: 441a RFAI's

DATE: December 7, 1983

FROM: Lawrence Ragland, Committee Accountant

TO: R. Todd Johnson, Reports Analyst

NAME OF COMMITTEE: Hayes for Congress Committee
Illinois C00167254

Mr. Ragland called to inform me that the Committee was mailing the amendment for the 12 Day Pre-Special General Report today. He again reminded me that all excessives had been cleared on the public record except for those surrounding the $25,000 loan from the Independence National Bank of Chicago. I informed Mr. Ragland that this was not so. I asked him to get his records and I would call him back in five minutes.

I returned the call to Mr. Ragland and we recapped the history of the $75,000 borrowed by the Committee for Mr. Haye's election. I noted that the 12 Day Pre-Special General Report showed a $25,000 loan from the Independence National Bank of Chicago which was endorsed by seven (7) individuals (six (6) who were individuals other than the candidate). I noted that because each of the endorsers had $25,000 disclosed as their amount endorsed, the Commission figured each individual to have endorsed $3,571. Therefore, I told him that six (6) individuals were considered to have made excessive contributions to the Committee in the amount of $2,571. Mr. Ragland said that he understood this and that he was mailing an amendment today. He said that in addition to the amendment and a letter from himself, he would include a copy of the original promissary note that showed the final loan was paid as of Friday, December 2, 1983.

I proceeded to explain the problems remaining with the $50,000 in individual loans. Mr. Ragland contested that these loans had been repaid and were cleared on the public record in the Committee's last report. He said that the Committee's 30 Day Post Special General Report disclosed a $40,000 loan from the

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candidate and a $50,000 loan repayment. I noted that it was impossible for the Commission or the public to determine that the individuals had been repaid because the Committee had neglected to disclose the repayments on a Schedule B. Additionally, I asked if the new loan had been made by the candidate, or from another source and endorsed by the candidate? Mr. Ragland acknowledged that the $40,000 loan was made to Mr. Hayes by the Independence National Bank. I informed Mr. Ragland that the loan would have to be reported as such on both a Schedule A and a Schedule C. Mr. Ragland said that he would include these items in the amendment he was mailing today. He also said that I had not written to him regarding missing aggregates for many individuals and political committees, but the Committee had done the research and corrected this problem in their amendment.

I asked Mr. Ragland when I might expect this amendment. He told me that he would mail it today and that I could expect it no later than Monday, December 12, 1983.

Mr. Ragland then asked me about limitations regarding debt retirement and what forms were necessary for a new committee. I explained how election limits applied after the election, and informed him that a Statement of Organization (Form 1) should be filed once a new committee opened their depository. Additionally, I said that once a committee had raised or spent over $5,000 on behalf of a particular candidate, the candidate would need to authorize that committee by filing a Statement of Candidacy (Form 2), or disavow the work or that committee. Finally, I noted that it was not necessary for Mr. Hayes to establish a new committee. I explained that he is permitted to maintain the same committee for the next election and would simply have to designate it as his principal campaign committee for that election. I told Mr. Ragland that I would mail the necessary forms to him immediately.

3 3 0 4 0 5 7 4 1 1 1

RECEIVED
FEC

ATTACHMENT (page 1 of 2)

93 DEC 12 P1:36

LRC
Certified Public Accountants

LAWRENCE RAGLAND & COMPANY
10046 S. WESTERN AVENUE • CHICAGO, ILLINOIS 60643 • 312/445-3588

December 9, 1983

Mr. R. Todd Johnson
Reports Analyst
Reports Analysis Division
Federal Election Commission
Washington, D.C. 20463

Dear Mr. Johnson:

Enclosed you will find an Amended Report covering the two periods July 7 through August 3 and August 12 through September 12, 1983.

As per our phone conversation, I did not include obligations paid that were outstanding on the previous report that were less than $100. The following obligations were paid:

Roscoe Mitchel	$ 22
The Chicago Crusaders	156
The Observer	153
J.L Dunlap, Jr.	20
Maxie D. Hill	29
Peggy Montes	12
Ben's Packing House	60
United Church of Hyde Park	19

The total PAC contributions listed did not include the following:

The Committee on Letter Carriers Political Education	$ 1,000
Chicago Joint Board	120
Cook County College Teachers	180
Local 442 Staff	130

The report does not include PAC contributions less than $200.

The contributions from individuals listed William Lucy (page 5 Itemized Receipts) contributing $1,000 instead of $250.

All disbursements listed as "expense reimbursements" have been corrected to indicate the purpose of the disbursement.

Contribution refund reported on line 20 has been itemized on a separate supporting Schedule B.

RT [The loan of $25,000 was repaid on December 2, 1983 and the loan of $50,000 from individuals was repaid on September 12, 1983.]

MEMBERS OF A.I.C.P.A. AND ILLINOIS C.P.A. SOCIETY

Discover The Magnificent Miles of Illinois

Mr. R. Todd Johnson
Page 2.

RJ A copy of the $25,000 loan agreement is enclosed for your file and the respective reports have been amended accordingly. The loan from the candidate which was reported at $40,000 was in error. It was for $40,850. The additional $850 has been included in the appropriate amended report.

Sincerely yours,
LAWRENCE RAGLAND & COMPANY

Lawrence Ragland
Managing Partner

LR:rs

encl

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ATTACHMENT 21

4412

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

October 25, 1983

Odell Hicks, Treasurer
Hayes for Congress Committee
4859 South Wabash Avenue
Chicago, IL 60615

Identification Number: C00167254

Reference: 30 Day Post-Runoff Report (8/4/83-9/12/83)

Dear Mr. Hicks:

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:

-Please provide a Schedule A to support the amount reported on Lines 13(a), 13(b), and/or 13(c) of the Detailed Summary Page. Each person who makes a loan to your committee or to the candidate acting as an agent of the committee, must be listed on Schedule A and Schedule C. The itemization on Schedule A must include the person's full name, mailing address, and zip code, along with the name of his/her employer, the date of the contribution/loan and the aggregate year-to-date amount of contributions made by the person. Schedule C must include any endorser or guarantor of the loan, the date the loan was made and all other terms of the loan. If the loan is from the candidate, please indicate if it is from his/her personal funds. (11 CFR 104.3(a)(4)(iv))

-Commission Regulations require the continuous reporting of all outstanding debts/loans. Review of this report indicates an omission of debts itemized on your previous report(s). (11 CFR 104.3(d) and 104.11) Please amend your report to indicate the current status of these omitted debts:

Roscoe Mitchel	$22
The Chicago Crusader	$156
The Observer	$153
J.L. Dunlap, Jr.	$20
Maxie D. Hill	$29
Peggy Montes	$12

ATTACHMENT 22

FILED 11/29/83

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-3

November 17, 1983

Odell Hicks, Treasurer
Hayes for Congress Committee
4859 South Wabash Avenue
Chicago, IL 60615

Identification Number: C00167254

Reference: 30 Day Post-Runoff Report (8/4/83-9/12/83)

Dear Mr. Hicks:

This letter is to inform you that as of November 16, 1983, the Commission has not received your response to our request for additional information, dated October 25, 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 R. Todd Johnson on our toll-free number (800) 424-9530 or our local number (202) 523-4048.

Sincerely,

John D. Gibson

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure

12-11-21 WO 11/22/83

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/ TYPE OF FILER	PARTY	RECEIPTS PRIMARY	RECEIPTS GENERAL	DISBURSEMENTS PRIMARY	DISBURSEMENTS GENERAL	COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
HAYES, CHARLES A	HOUSE 01	DEMOCRATIC PARTY			ILLINOIS		1984 ELECTION	ID# H4IL01022	
1. STATEMENT OF CANDIDATE									
1983 STATEMENT OF CANDIDATE							13MAY83	1	83HSE/245/5005
1984 STATEMENT OF CANDIDATE							24JAN84	1	84HSE/251/2318
2. CANDIDATE REPORTS OF RECEIPTS & EXPENDITURES									
3. PRINCIPAL CAMPAIGN COMMITTEE									
1984 HAYES FOR CONGRESS COMMITTEE							ID# C00175877	HOUSE	
1984 STATEMENT OF ORGANIZATION							24JAN84	1	84HSE/251/2528
4. AUTHORIZED COMMITTEES									
HAYES FOR CONGRESS COMMITTEE							ID# C00167254	HOUSE	
1983 STATEMENT OF ORGANIZATION							13MAY83	1	83HSE/245/5006
STATEMENT OF ORGANIZATION - AMENDMENT							13JUL83	1	83HSE/246/3521
48 HOUR CONTRIBUTION NOTICE							20JUL83	1	83HSE/247/0871
48 HOUR CONTRIBUTION NOTICE							22JUL83	1	83HSE/247/1211
48 HOUR CONTRIBUTION NOTICE							25JUL83	1	83HSE/247/1829
*PRE-SPECIAL			85,562		83,964		9MAY83 - 6JUL83	15	83HSE/246/3486
*PRE-SPECIAL	- AMENDMENT		-		-		9MAY83 - 6JUL83	1	83HSE/248/0309
*PRE-SPECIAL	- AMENDMENT		-		-		9MAY83 - 6JUL83	1	83HSE/249/3728
*PRE-SPECIAL	- AMENDMENT		-		-		9MAY83 - 6JUL83	2	83HSE/250/1381
*PRE-SPECIAL	- AMENDMENT		-		-		9MAY83 - 6JUL83	1	83HSE/250/3829
REQUEST FOR ADDITIONAL INFORMATION							9MAY83 - 6JUL83	3	83FEC/282/4630
REQUEST FOR ADDITIONAL INFORMATION							9MAY83 - 6JUL83	3	83FEC/287/0890
PRE-RUN-OFF				124,459		114,284	7JUL83 - 3AUG83	23	83HSE/249/3776
PRE-RUN-OFF	- AMENDMENT			126,459		114,284	7JUL83 - 3AUG83	28	84HSE/251/0076
PRE-RUN-OFF	- AMENDMENT			126,459		114,284	7JUL83 - 3AUG83	26	83HSE/250/4567
PRE-RUN-OFF	- AMENDMENT			-		-	7JUL83 - 3AUG83	1	83HSE/250/4610
REQUEST FOR ADDITIONAL INFORMATION							7JUL83 - 3AUG83	9	83FEC/283/5242
REQUEST FOR ADDITIONAL INFORMATION 2ND							7JUL83 - 3AUG83	10	83FEC/285/3495
REQUEST FOR ADDITIONAL INFORMATION							7JUL83 - 3AUG83	2	84FEC/296/2100
POST-RUN-OFF				82,868		83,654	4AUG83 -12SEP83	12	83HSE/250/1112
POST-RUN-OFF	- AMENDMENT			-		-	4AUG83 -12SEP83	2	83HSE/250/2778
POST-RUN-OFF	- AMENDMENT			-		-	4AUG83 -12SEP83	2	83HSE/250/3412
POST-RUN-OFF	- AMENDMENT			-		-	4AUG83 -12SEP83	9	83HSE/250/3467
POST-RUN-OFF	- AMENDMENT			83,718		83,668	4AUG83 -12SEP83	16	83HSE/250/4595
REQUEST FOR ADDITIONAL INFORMATION							4AUG83 -12SEP83	2	83FEC/286/1129
REQUEST FOR ADDITIONAL INFORMATION 2ND							4AUG83 -12SEP83	3	83FEC/287/2097
			85,562	210,177	83,964	197,952		176	TOTAL PAGES
								176	AUTH TOT PAGES

4B. TRANSFERS IN FROM JOINT FUNDRAISING COMMITTEES

* These reports received basic review. All other reports received condensed review.

CASH ON HAND as of September 12, 1983 - $13,740.27
DEBTS OWED BY THE COMMITTEE as of September 12, 1983 - $78,943.65

ATTACHMENT #1

ATTACHMENT 2

Page ___ of ___ for Line Number ___ (Use separate schedule(s) for each category of the Detailed Summary Page)

SCHEDULE A — ITEMIZED RECEIPTS

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): HAYES FOR CONGRESS COMMITTEE 106097

1983 12 Day Pre-Special Primary Report

	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
A. Full Name, Mailing Address and ZIP Code Joint on Community Action 1405 W. Cortez Chicago, Illinois 60622 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date—$ 1,000.00	6/14/83	1,000.00
B. Full Name, Mailing Address and ZIP Code C.A.N. PAC 59 E. Van Buren Suite 1210 Chicago, Illinois 60603 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date—$ 4,500.00	6/22/83	4,500.00
C. Full Name, Mailing Address and ZIP Code Graphic Arts Union 1611 W. Adams. Street Chicago, Illinois Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date—$ 500.00	6/11/83	500.00
D. Full Name, Mailing Address and ZIP Code AFGE PAC American Federation of Government Employees 1325 Massachusetts Ave.N.W. Washington, D.C. 20005 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date—$ 500.00	6/29/83	500.00
E. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date—$		
F. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date—$		
G. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date—$		
SUBTOTAL of Receipts This Page (optional)			6,500.00
TOTAL This Period (last page this line number only)			61,115.00

RJ

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HAYES FOR CONGRESS COMMITTEE
4858 S. WABASH AVE.
CHICAGO, ILLINOIS 60615

1274

September 26, 19 83 2-122/710

PAY TO THE ORDER OF Can Pac Federal Campaign Committee $3500.00

Three-Thousand-Five Hundred and----------NO/100 DOLLARS

independence bank of chicago
7930 S. COTTAGE GROVE / CHICAGO, IL. 60619

James L. Albright

⑈001274⑈ ⑆071001229⑆ ⑈66◦653◦5⑈

SCHEDULE C
(Revised 3/80)

LOANS ATTACHMENT 6 (Page 1 of 2)

Page 1 of 5 for LINE NUMBER ____ (Use separate schedules for each numbered line)

Name of Committee (In Full)
HAYES FOR CONGRESS COMMITTEE

1983 12 Day Pre-Special General Report

A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Independence National Bank 7936 S. Cottage Grove Chicago, Il 60619 Election: ☐ Primary ☐ General ☐ Other (specify):	$		$25,000.00
Terms: Date Incurred ____ Date Due ____ Interest Rate ____ % (yr) ☐ Secured			

List All Endorsers or Guarantors (if any) to Item A

1. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding
Charles Hayes (Candidate) 4859 S. Wabash Ave. Chicago, IL.	UFCW AFL-CIO Candidate $ 25,000.00
2. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding
Jolyn Robichaux 4825 S. Indiana Ave. Chicago, IL. 60615	Self-Employed $ 25,000.00
3. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding
Sid Ordower 203 N. Wabash Ave. Chicago, IL. 60601	Self-Employed $ 25,000.00

B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Election: ☐ Primary ☐ General ☐ Other (specify):			
Terms: Date Incurred ____ Date Due ____ Interest Rate ____ % (yr) ☐ Secured			

List All Endorsers or Guarantors (if any) to Item B

1. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding
Ernest Bush 359 E. 79th St. Chicago, Il. 60619	Self-employed $25,000.00
2. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding
Robert Vaughn 1169 S. Plymouth Chicago, Il. 60605	Union Represent. $ 25,000.00
3. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding
Chatman Wailes 8540 S. Marquette Chicago, Il. 60617	Candidate Compaign Manager $ 25,000.00

SUBTOTALS This Period This Page (optional)	25,000.00
TOTALS This Period (last page in this line only)	

Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary

C 33201249379 0 -

SCHEDULE C
(Revised 3/80)

ATTACHMENT 6
LOANS (page 2 of 2)

Page ___ of ___
LINE NUMBER ___
(Use separate schedules for each numbered line)

Name of Committee (In Full)
HAYES FOR CONGRESS COMMITTEE 10605

1983 12 Day Pre-Special General Report

A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
	$[illegible],000.00	--	$25,000.00

Election: ☐ Primary ☐ General ☐ Other (specify):

Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (apr) ☐ Secured

List All Endorsers or Guarantors (if any) to Item A

1. Full Name, Mailing Address and ZIP Code James L. Wright 5132 W. Harrison Chicago, IL. 60644	Name of Employer U.A.W. Occupation Union Official Amount Guaranteed Outstanding $ [illegible]	
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $	
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $	

B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period

Election: ☐ Primary ☐ General ☐ Other (specify):

Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (apr) ☐ Secured

List All Endorsers or Guarantors (if any) to Item B

1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $	
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $	
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $	

SUBTOTALS This Period This Page (optional)	
TOTALS This Period (last page in this line only)	

Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.

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SCHEDULE C
(Revised 3/80)

ATTACHMENT 7 Page 1 of 3

LOANS

Page ___ of ___ for LINE NUMBER ___
(Use separate schedules for each numbered line)

Name of Committee (in Full)
HAYES FOR CONGRESS COMMITTEE 106097

1983 12 Day Pre-Special General Report

A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Al Johnson 8425 W. 159th St. Tinley Park, IL.	8,334.00		8,334.00

Election: ☐Primary ☐General ☐Other (specify):

Terms: Date Incurred _____ Date Due _____ Interest Rate _____%(apr) ☐ Secured

List All Endorsers or Guarantors (if any) to Item A

1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $		
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $		
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $		

B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Howard Medley 251 E. 95th St. Chicago, IL. 60628	8,334.00		8,334.00

Election: ☐Primary ☐General ☐Other (specify):

Terms: Date Incurred _____ Date Due _____ Interest Rate _____%(apr) ☐ Secured

List All Endorsers or Guarantors (if any) to Item B

1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $		
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $		
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $		

SUBTOTALS This Period This Page (optional)	16,668.00
TOTALS This Period (last page in this line only)	

Carry outstanding balances only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.

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SCHEDULE C
(Revised 3/80)

ATTACHMENT 7 (Page 2 of 3)

LOANS

Page ___ of ___ for
LINE NUMBER ___
(Use separate schedules for each numbered line)

Name of Committee (In Full)
HAYES FOR CONGRESS COMMITTEE

1983 12 Day Pre-Special General Report

A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Charles A. Hayes 4859 S. Wabash Ave. Chicago, Il. 60615 Election: ☐Primary ☐General ☐Other (specify):	[illegible]		8,333.00
Terms: Date Incurred _____ Date Due _____ Interest Rate ___% (apr) ☐ Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $		
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $		
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $		

B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Edwin C. Berry 8522 S. LaFayett Chicago, IL 60620 Election: ☐Primary ☐General ☐Other (specify):	8,333.00	--	8,333.00
Terms: Date Incurred _____ Date Due _____ Interest Rate ___% (apr) ☐ Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $		
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $		
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $		

SUBTOTALS This Period This Page (optional)	16,666.00
TOTALS This Period (last page in this line only)	

Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.

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ATTACHMENT 7 (Page 3 of 3)

SCHEDULE C
(Revised 3/80)

LOANS

Page 2 of 2 for LINE NUMBER ____
(Use separate schedule for each numbered line)

Name of Committee (in Full)
HAYES FOR CONGRESS COMMITTEE

1983 12 Day Pre-Special General Report

A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Addie Wyatt 8907 S. Chappel Chicago, IL 60617 Election: ☐Primary ☐General ☐Other (specify)	$ 8,333.00		$ 8,333.00
Terms: Date Incurred ____ Date Due ____ Interest Rate ____% (Mar.) ☐ Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		

B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Jacoby Dickens 435 E. 87th St. Chicago, IL. 60619 Election: ☐Primary ☐General ☐Other (specify):	8,333.00	--	8,333.00
Terms: Date Incurred ____ Date Due ____ Interest Rate ____% (Mar.) ☐ Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		

SUBTOTALS This Period This Page (optional)	16,666.00
TOTALS This Period (last page in this line only)	

Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary

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ATTACHMENT 12

SCHEDULE B — ITEMIZED DISBURSEMENTS

Page ___ No. ___
LINE NUMBER: ___
(Use separate schedule(s) for each category of the Detailed Summary Page)

1983 30 Day Post General Election Report

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)

HAYES FOR CONGRESS COMMITTEE 10[illegible]

	Purpose of Disbursement / Disbursement for: ☐Primary ☐General ☐Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
A. Full Name, Mailing Address and ZIP Code Chatman Wailes 8540 S. Marquette Chicago, IL 60617	Political Consultant	8/19/83 9/7/83 8/25/83	1230.00 1230.00 60.92
B. Full Name, Mailing Address and ZIP Code Herman Owens 9025 Laflin Chicago, IL 60620	Political Consultant	8/11/83 8/19/83 8/23/83	146.10 450.00 440.86
C. Full Name, Mailing Address and ZIP Code Church's Chicken 1025 State Parkway Schaumburg, IL	Food, Campaign Workers	8/21/83	2026.53
D. Full Name, Mailing Address and ZIP Code Representative John Conyers House of Representatives Washington, D. C.	Miscellaneous Expense	8/23/83	580.27 ✓
E. Full Name, Mailing Address and ZIP Code Independent Voters of Illinois Independent Precinct Organization 220 S. State St. - Suite 726 Chicago, IL 60604	AD	8/25/83 8/25/83	291.00 492.96
F. Full Name, Mailing Address and ZIP Code Gregory Hamblet 7415 S. Kingston Chicago, IL 60649	Expense reimbursement	9/ 6/83	533.80
G. Full Name, Mailing Address and ZIP Code First Church of Love & Faith 2140 W. 79th St. Chicago, IL 60620	Food, Campaign Workers	8/23/83	710.00
H. Full Name, Mailing Address and ZIP Code Illinois Bell Telephone Co. 225 W. Randolph HQ 9-G Chicago, IL 60606	Telephone	9/9/83 8/19/83	299.47 156.77
RT I. Full Name, Mailing Address and ZIP Code Independence Bank 7936 S. Cottage Grove Chicago, IL 60619	Loan Repayment and Interest	9-12-83	50883.34
SUBTOTAL of Disbursements This Page (optional)			59924.01
TOTAL This Period (last page this line number only)			

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SCHEDULE A

ATTACHMENT 16

ITEMIZED RECEIPTS

1983 Amended 12 Day Pre-Special General 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 committee.

Name of Committee (in Full)
HAYES FOR CONGRESS COMMITTEE

106097

A. Full Name, Mailing Address and ZIP Code INDEPENDENCE BANK OF CHICAGO 7936 South Cottage Grove Ave. Chicago, Illinois 60619 Receipt For: X Primary ☐ General ☐ Other (specify): LOAN	Name of Employer Occupation Aggregate Year-to-Date—$	Date (month, day, year) 7/15/83	Amount of Each Receipt this Period 25,000.00
B. Full Name, Mailing Address and ZIP Code Al Johnson 8425 W. 159th St. Tinley Park, IL Receipt For: X Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date—$	Date (month, day, year) 7/25/83	Amount of Each Receipt This Period 8,334.00
C. Full Name, Mailing Address and ZIP Code Howard Medley 251 E. 95th St. Chicago, IL. 60628 Receipt For: X Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date—$	Date (month, day, year) 7/25/83	Amount of Each Receipt This Period 8,334.00
D. Full Name, Mailing Address and ZIP Code Charles A. Hayes 4859 S. Wabash Ave. Chicago, IL. 60615 Receipt For: X Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date—$	Date (month, day, year) 7/25/83	Amount of Each Receipt This Period 8,333.00
E. Full Name, Mailing Address and ZIP Code Edwin C. Berry 8522 S. LaFayett Chicago, IL 60620 Receipt For: X Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date—$	Date (month, day, year) 7/25/83	Amount of Each Receipt This Period 8,333.00
F. Full Name, Mailing Address and ZIP Code Addie Wyatt 8907 S. Chappel Chicago, IL 60617 Receipt For: X Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date—$	Date (month, day, year) 7/25/83	Amount of Each Receipt This Period 8,333.00
G. Full Name, Mailing Address and ZIP Code Jacoby Dickens 435 E. 87th St. Chicago, IL. 60619 Receipt For: X Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date—$	Date (month, day, year) 7/25/83	Amount of Each Receipt This Period 8,333.00
SUBTOTAL of Receipts This Page (optional)			75,000.00
TOTAL This Period (last page this line number only)			

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SCHEDULE B

ATTACHMENT
ITEMIZED DISBURSEMENTS

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)

HAYES FOR CONGRESS COMMITTEE 1983 Amended 30 Day Post Special General Report

A. Full Name, Mailing Address and ZIP Code Al Johnson 8425 W. 159th St. Tinley Park, IL.	Purpose of Disbursement Loan Payment Disbursement for: ☐Primary ☐General ☐ Other (specify):	Date (month, day, year) 9/12/83	Amount of Each Disbursement This Period 8,334.00
B. Full Name, Mailing Address and ZIP Code Howard Medley 251 E. 95th St. Chicago, IL 60628	Purpose of Disbursement Loan Payment Disbursement for: ☐Primary ☐General ☐ Other (specify):	Date (month, day, year) 9/12/83	Amount of Each Disbursement This Period 8,334.00
C. Full Name, Mailing Address and ZIP Code Charles A. Hayes 4859 S. Wabash Ave. Chicago, IL. 60605	Purpose of Disbursement Loan Payment Disbursement for: ☐Primary ☐General ☐ Other (specify):	Date (month, day, year) 9/12/83	Amount of Each Disbursement This Period 8,333.00
D. Full Name, Mailing Address and ZIP Code Edwin C. Berry 8522 S. Lafayette Chicago, IL 60620	Purpose of Disbursement Loan Payment Disbursement for: ☐Primary ☐General ☐ Other (specify):	Date (month, day, year) 9/12/83	Amount of Each Disbursement This Period 8,333.00
E. Full Name, Mailing Address and ZIP Code Addie Wyatt 8901 S. Chappel Chicago, IL. 60617	Purpose of Disbursement Loan Payment Disbursement for: ☐Primary ☐General ☐ Other (specify):	Date (month, day, year) 9/12/83	Amount of Each Disbursement This Period 8,333.00
F. Full Name, Mailing Address and ZIP Code Jacoby Dickens 435 E. 87th St. Chicago, IL. 60619	Purpose of Disbursement Loan Payment Disbursement for: ☐Primary ☐General ☐ Other (specify):	Date (month, day, year) 9/12/83	Amount of Each Disbursement This Period 8,333.00
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)			50,000.00
TOTAL This Period (last page this line number only)			79,811.97

22740574126

OFFICER	APPROVED

83243674127

Disbursed 7/13/83

*The Base Rate at Independence Bank of Chicago subject to change

No. [illegible] Due 10/01 19 83 Chicago, Ill. 7/13 19 83 Amount $ 25,000.00

ON DEMAND, and if no demand is made, then 80 days after date, for value received, the Undersigned, jointly and severally, promise(s) to pay to the order of

INDEPENDENCE BANK OF CHICAGO

(hereinafter called "Bank") at its office in Chicago, Illinois,

----------TWENTY FIVE THOUSAND AND NO/100---------- Dollars,

with interest thereon from date at the rate of B/R + 2%* per cent per annum initially and at a varying rate per annum thereafter which shall be B/R + 2%* per cent per annum above the prime rate of this bank and will fluctuate from day to day with such rate but in no event will the rate exceed B/R + 2%* per cent per annum until demand and at the rate of B/R + 4% per cent per annum after demand until paid, all interest being payable monthly. Interest shall be computed on the basis of a X 360 -day year and charged for the actual number of days elapsed. Undersigned agrees to pay reasonable attorneys' fees, costs and expenses incurred by Bank in the collection and enforcement of this Note.

Demand, protest and notice of nonpayment and dishonor are hereby severally waived by the makers, endorsers, and guarantors (hereinafter called "Obligors"). The holder hereof may, at any time or times hereafter, without notice, appropriate and apply toward the payment of this Note, whether due or not, any moneys, credits or other property belonging to the Undersigned, or to any endorser or guarantor, in the possession or under the control of the legal holder hereof, as well as any indebtedness (whether then due or not then due) of the holder hereof to any one or more of the Undersigned, or any endorser or guarantor, howsoever created or arising, including, but without limitation to, any and all balances, credits, deposits, accounts, or moneys of any one or more of the Undersigned, or any endorser or guarantor, and such legal holder is hereby given a first and prior lien upon such moneys, credits, indebtedness and other property. In the event of nonpayment, when due, of any amount payable on this Note or any other indebtedness or obligation of Obligor to the Bank; or the death or incompetency of any Obligor; or the insolvency, bankruptcy, liquidation, cessation of business or entry of any judgment or decree against any Obligor; or if the Bank shall deem itself insecure, this Note may, at the option of the holder, and without notice or demand of any kind, be declared and shall become immediately due and payable. The validity and construction of this note shall be governed by the laws of the State of Illinois.

To further secure the payment of this Note the Undersigned hereby, jointly and severally, irrevocably authorize any attorney of any court of record to appear for them, or any of them, in such court in term time or vacation, at any time after payment is due, whether by acceleration or otherwise, and confess a judgment without process against them, or any one or more of them, in favor of the holder of this Note for such sum as may appear to be unpaid and owing thereon together with interest, costs and attorneys' fees, and to waive and release all errors which may intervene in such proceeding and consent to immediate execution upon such judgment, hereby ratifying and confirming all that said attorney may do by virtue hereof.

Hayes for Congress Committee

Address
Number & Street
Chicago, Illinois
City & State Zip Code

Telephone Social Security No. or Corp. I.D. No.

Days	Rate	Discount	Initial
80	B/R +2%*		

FORM NO. UCL-3 UNSECURED COMMERCIAL DEMAND NOTE

PAID
INDEPENDENCE BANK

ATTACHMENT 9

ATTACHMENT 20

1983 30 Day Post Special General Report

SCHEDULE C
(Revised 2/80)

LOANS

(Use separate schedules for each numbered line)

Name of Committee (In Full)
HAYES FOR CONGRESS COMMITTEE

A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
	$[illegible]	-0-	$[illegible],000.00

Election: ☐ Primary ☐ General ☐ Other (specify)

Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (Mo.) ☐ Secured

List All Endorsers or Guarantors (if any) to Item A

1. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding
James L. Wright 5132 W. Harrison Chicago, IL 60644	United Auto Wkrs Union official $[illegible],000.00
2. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding $
3. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding $

B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Charles Hayes 7801 S. Cottage Grove Chicago, IL 60619	$40,000.00		$40,000.00

Election: ☐ Primary ☐ General ☐ Other (specify):

Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (Mo.) ☐ Secured

List All Endorsers or Guarantors (if any) to Item B

1. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding $
2. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding $
3. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding $

SUBTOTALS This Period This Page (optional)	
TOTALS This Period (last page in this line only)	$65,000.00

Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.

RT

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ATTACHMENT 23

1983 Amended 30 Day Post Special General Report

EDULE A

ITEMIZED RECEIPTS

LINE NUMBER _____
(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)

HAYES FOR CONGRESS COMMITTEE 106097

A. Full Name, Mailing Address and ZIP Code Charles Hayes 7801 S. Cottage Grove Chicago, Illinois Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer Occupation Congressman Aggregate Year-to-Date—$	Date (month, day, year) 9/12/83	Amount of Each Receipt this Period 40,850.00
B. 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
C. 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
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)			40,850.00
TOTAL This Period (last page this line number only)			

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ATTACHMENT 24

SCHEDULE C
(Revised 3/80)

1983 Amended 30 Day Post Special General Report

LOANS

LINE NUMBER ____
(Use separate schedules for each numbered line)

Name of Committee (in Full)
HAYES FOR CONGRESS COMMITTEE 106097

A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Election: ☐Primary ☐General ☐Other (specify):	25,000.00	-0-	$25,000.00

Terms: Date Incurred _____ Date Due _____ Interest Rate _____%(apr) ☐ Secured

List All Endorsers or Guarantors (if any) to Item A

1. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding
James L. Wright 5132 W. Harrison Chicago, IL 60644	United Auto Wkrs. Union Official $25,000.00
2. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding: $
3. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding: $

RT

B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Charles Hayes 7801 S. Cottage Grove Chicago, IL 60619 Election: ☐Primary ☐General ☐Other (specify):	40,850.00	-	40,850.00

Terms: Date Incurred _____ Date Due _____ Interest Rate _____%(apr) ☐ Secured

List All Endorsers or Guarantors (if any) to Item B

1. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding: $
2. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding: $
3. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding: $

SUBTOTALS This Period This Page (optional)	
TOTALS This Period (last page in this line only)	65,850.00

Discover The Magnificent Miles of Illi

ATTACHMENT

DULE A (ITEMIZED RECEIPTS ((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 committees.

Name of Committee (in Full)
HAYES FOR CONGRESS COMMITTEE 106097 1983 12 Day Pre-Special General Report

A. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt this Period
Kleiman & Whitner One E. Wacker Dr. Chicago, IL 60601 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	LAW FIRM LAWYERS Aggregate Year-to-Date-$ 240.00	7/14/83	240.00
B. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt This Period
Stephen I. Danzansky 818 Conn. Ave. NW Washington, DC 20006 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	BEST EFFORT Aggregate Year-to-Date-$ 250.00	7/15/83	250.00
C. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt This Period
Lucien B. Johnson 237 Sandy Lane Salem, IL. 62881 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Government Relat. Assoc. 54 N. Ottowa ~~Joliet, IL 60431~~ Ex Vice President Aggregate Year-to-Date-$ 480.00	7/15/83	480.00
D. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt This Period
Coletha Merrit 11600 S. Bishop Ave. Chicago, IL. 60608 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Baldwin Ice Cream 4825 S. Indiana Ave. Chicago, IL 60615 Accountant Aggregate Year-to-Date-$ 1,000.00	7/15/83	1,000.00
E. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt This Period
Geneva Dwyer 9006 S. Cornel Chicago, IL 60617 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Baldwin Ice Cream 4825 S. Inciana Ave. Chicago, IL 60615 Office Worker Aggregate Year-to-Date-$ 1,000.00	7/15/83	1,000.00
F. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt This Period
Jolyn Robichaux 4825 S. Indiana Chicago, Illinois Receipt For: ☒ Primary ☐ General ☐ Other (specify):	SELF-EMPLOYED Aggregate Year-to-Date-$ 1,000.00	7/15/83	1,000.00
G. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt This Period
Robert Adler 4950 Chicago Beach Dr. Chicago, IL 60615 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	BEST EFFORT Aggregate Year-to-Date-$ 500.00	7/15/83	500.00
SUBTOTAL of Receipts This Page (optional)			4,470.00
TOTAL This Period (last page this line number only)			

ATTACHMENT 6

SCHEDULE B **ITEMIZED DISBURSEMENTS** (Use separate schedule(s) for each category of the Detailed Summary Page)

1983 Amended 30 Day Post Special General Report

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)

HAYES FOR CONGRESS COMMITTEE

106097

	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
A. Full Name, Mailing Address and ZIP Code Jolyn Robichaux 4825 S. Indiana Ave. Chicago, Illinois 60615	Contribution Refunded Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	8/15/83	2,000.00
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)			2,000.00
TOTAL This Period (last page this line number only)			

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ATTACHMENT 27

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

February 7, 1984

Odell Hicks, Jr., Treasurer
Hayes for Congress Committee
4859 South Wabash Avenue
Chicago, IL 60615

Identification Number: C00167254

Reference: 12 Day Pre-Runoff Amendment Report (7/7/83-8/3/83)

Dear Mr. Hicks:

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:

-Please provide a Schedule A to support the total amount reported on Line 11(c) of the Detailed Summary Page. All committees which make contributions to your committee should be itemized on Schedule A, regardless of the amount contributed. (11 CFR 104.3(a)(4)(ii))

-Your committee's report was not signed by the proper committee official, as listed on your Statement of Organization. The treasurer, or designee, must sign all committee filings. If your committee has changed treasurers, please amend your Statement of Organization. If not, it is suggested that your committee consider the designation of an assistant treasurer who may sign reports or statements in the absence of the treasurer. If you choose to designate an assistant treasurer, this information should be reported on an amended Statement of Organization. If you choose not to designate an assistant treasurer, the above-referenced report must be amended to include the treasurer's signature. (11 CFR 104.14)

*** ENTRY FROM 30 DAY POST SPECIAL MK

-Please clarify the contribution refund of $2,000 noted on Schedule B for Line 20(a) of the Detailed Summary Page. Previous reports disclose only $41,000 in receipts from Jolyn Robichaux other than loan endorsements. MK

An amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 18, 1984

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

ATTN: JONATHAN LEVIN

FROM: SHAWN WOODHEAD
COMPLIANCE BRANCH, RAD

SUBJECT: RAD REFERRAL #84L-5 - HAYES FOR CONGRESS COMMITTEE (1983)

Please review the attached Requests for Additional Information (RFAIs) which are to be sent to the Hayes for Congress Committee (1983) and CANPAC Federal Campaign Committee of Illinois Public Action Council for the 1983 Mid-Year, Year End and 1984 April Quarterly Reports. If no response or an inadequate response is received for any of the RFAIs, a Second Notice will be sent.

Any comments which you may have should be forwarded to RAD by the close of business on Wednesday, June 20, 1984. Thank you.

COMMENTS:

Attachments

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Lawrence Ragland, Treasurer
Hayes for Congress Committee (1983)
4859 South Wabash Avenue
Chicago, IL 60615

Identification Number: C00167254

Reference: Year End Report (9/13/83-12/31/83)

Dear Mr. Ragland:

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:

-Schedule A of your report (pertinent portion attached) discloses a contribution(s) which appears to exceed the limits set forth in the Act. No political committee other than a multicandidate committee may make contributions to a candidate for Federal office in excess of $1,000 per election. The C.A.N. PAC did not meet the requirements for multicandidate status as of the date the contribution(s) was made to your committee. If you have received a contribution(s) which exceeds the limits, the Commission recommends that you refund to the donor(s) the amount in excess of $1,000. The Commission should be notified in writing if a refund is necessary. In addition, any refund should appear on Line 20 of the Detailed Summary Page and Schedule B of your next report. (2 U.S.C. 441a(a) and (f))

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.

If the contribution(s) in question was incorrectly reported and/or you have additional information regarding the contributor(s), you may wish to submit documentation for the public record. Please amend your report with the clarifying information.

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

An amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 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) 523-4048.

Sincerely,

Pat Sheppard

Pat Sheppard
Reports Analyst
Reports Analysis Division

2304574136

SCHEDULE A — ITEMIZED RECEIPTS

Page 1 of 2 for LINE NUMBER ____
(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): Hayes For Congress Committee 1983

	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
A. Full Name, Mailing Address and ZIP Code United Steelworkers of America PAC 720 West Chicago Avenue East Chicago, IN 46312 Receipt For: ☐ Primary ☒ General ☐ Other (specify)	N/A	9/19/83	$1,000.00
	Aggregate Year-to-Date-$ 1,000.00		
B. Full Name, Mailing Address and ZIP Code C.A.N. PAC 59 East Van Buren Street Chicago, IL 60605 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	N/A	9/27/83	$3,500.00 P/S
	Aggregate Year-to-Date-$ 8,000.00		
C. Full Name, Mailing Address and ZIP Code Transportation Political League 14600 Detroit Avenue Cleveland, Ohio 44107 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	N/A	9/28/83	$500.00
	Aggregate Year-to-Date-$ 1,000.00		
D. Full Name, Mailing Address and ZIP Code Glass, Pottery, Plasters & Allied Workers PAC 608 East Baltimore Pike Media, PA 19063 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	N/A	9/16/83	$500.00
	Aggregate Year-to-Date-$ 1,000.00		
E. Full Name, Mailing Address and ZIP Code Amalgamated Transit COPE 5025 Wisconsin Avenue, N.W. Washington, D.C 20016 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	N/A	9/16/83	$1,000.00
	Aggregate Year-to-Date-$ 1,000.00		
F. Full Name, Mailing Address and ZIP Code America Postal Union PAC 817 14th Street, N.W. Washington, D.C. 20005 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	N/A	9/16/83	$250.00
	Aggregate Year-to-Date-$ 500.00		
G. Full Name, Mailing Address and ZIP Code A.F.L. C.I.O. COPE 815-16th Street, N.W. Washington, D.C. 20006 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	N/A	10/04/83	$2,000.00
	Aggregate Year-to-Date-$ 2,000.00		
SUBTOTAL of Receipts This Page (optional)			$8,750.00
TOTAL This Period (last page this line number only)			

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

David Sherbin, Treasurer
CANPAC Federal Campaign Committee
of Illinois Public Action
Council
59 East Van Buren #1210
Chicago, IL 60605

Identification Number: C00160655

Reference: Mid-Year Report (1/1/83-6/30/83)

Dear Mr. Sherbin:

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:

-The beginning cash balance of this report should equal the ending balance of your 1982 Year End report. Please clarify this discrepancy and amend any subsequent report(s) which may be affected by this correction.

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) 523-4048.

Sincerely,

Lisa Stolaruk

Lisa Stolaruk
Senior Reports Analyst
Reports Analysis Division

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

David Sherbin, Treasurer
CANPAC Federal Campaign Committee
of Illinois Public Action
Council
59 East Van Buren #1210
Chicago, IL 60605

Identification Number: C00160655

Reference: April Quarterly Report (7/1/83-3/31/84)

Dear Mr. Sherbin:

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:

-Schedule B of your report (pertinent portion(s) attached) discloses a contribution(s) which appears to exceed the limits established by the Act. The Act precludes an individual or a political committee, other than a multicandidate committee, from making a contribution to a candidate for Federal office in excess of $1,000 per election. (2 U.S.C. 441a(a)) If you have made an excessive contribution, the Commission recommends that you notify the recipient and request a refund of the amount in excess of $1,000. Please inform the Commission, in writing, of the refund and provide a photocopy of your refund request sent to the recipient. In addition, any refund should appear on Line 16 of Schedule A 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 excessive contribution(s), prompt action by you to obtain a refund will be taken into consideration.

-Schedule D of your report lists two debts owed to your connected organization, the Illinois Public Action Council, totalling $10,000. The purpose of the first

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debt is listed as "Support for Tom Lindley for Congress" and the purpose of the second debt is listed as "Support of Paul Simon for Senate."

Please be advised that 2 U.S.C. 441b prohibits a corporation or labor organization from contributing or expending funds for the purpose of influencing any Federal election, except that the connected organization may pay for the solicitation and administrative costs of its separate segregated fund.

If your connected organization has made direct or in-kind contributions to Federal candidates, your connected organization must request a full refund from the candidate committees. Please inform the Commission, in writing, of the refunds and provide photocopies of the refund requests sent to the candidate committees.

Although the Commission may take further legal steps concerning this matter, your prompt action will be taken into consideration.

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) 523-4048.

Sincerely,

Lisa Stolaruk

Lisa Stolaruk
Senior Reports Analyst
Reports Analysis Division

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SCHEDULE B **ITEMIZED DISBURSEMENTS**

Page 1 of 1 for
LINE NUMBER 17
(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)
CHAMPAC FEDERAL CAMPAIGN Committee of IPAC

A. Full Name, Mailing Address and ZIP Code Chicago Heights for Congress Committee 1451 S Wabash #1 Chicago, IL 60605	Purpose of Disbursement General Support Disbursement for: ☒ Primary ☐ General ☐ Other (specify):	Date (month, day, year) 6/24/93	Amount of Each Disbursement This Period $3,500.00
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)			$

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SENSITIVE

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

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

84 JUL 5 P4:24

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION 7/5/84 - 4:20

RAD # 84L-5
STAFF MEMBER
Jonathan Levin

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

RESPONDENTS' NAMES: Hayes for Congress Committee
Odell Hicks, Treasurer
Campaign Committee of the Illinois Public Action Council
David Sherbin, Treasurer
Jolyn Robichaux
Sid Ordower
Ernest Bush
Robert Vaughn
Chatman Wailes
James L. Wright
Al Johnson
Howard Medley
Edwin Berry
Addie Wyatt
Jacoby Dickens

RELEVANT STATUTE: 2 U.S.C. § 431(8)(B)(vii)
2 U.S.C. § 431(8)(A)(i)
2 U.S.C. § 434(b)(8)
2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441a(a)(2)(A)
2 U.S.C. § 441a(f)
2 U.S.C. § 441a(a)(4)
11 C.F.R. § 100.7(a)(1)(C)
11 C.F.R. § 104.3(d)
11 C.F.R. § 110.10(a)

INTERNAL REPORTS CHECKED: Public Records

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

The Hayes for Congress Committee was referred to the Office of General Counsel (OGC) on February 16, 1984, by the Reports Analysis Division (RAD). It involves excessive contributions made to the Hayes for Congress Committee ("the Committee") by a political action committee and by various individuals who

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endorsed loans to the Committee. This matter also involves certain reporting problems related to the loans.

FACTUAL AND LEGAL ANALYSIS

The Committee's original 12 Day Pre-Special Primary Report disclosed a $4,500 contribution received on June 22, 1983, from the Campaign Committee of the Illinois Public Action Council ("CANPAC") for the primary. After RAD had mailed the Committee a Request for Additional Information (RFAI) on September 13, 1983, the Committee refunded $3,500 to CANPAC on September 26,1983. A review of the Committee's Year End Report reveals that CANPAC contributed another $3,500 the next day for the General Election.

The Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of loans totalling $75,000 on Schedule C. This included a $25,000 loan from the Independence National Bank of Chicago endorsed by six individuals and the candidate on July 15, 1983. In addition, a total of $50,000 in loans made on July 25, 1983, was reported coming from five individuals and the candidate. The loans were reported on Schedule C, but not on Schedule A. Furthermore, the Schedule C reporting did not disclose the terms of the loans.

On September 27 and October 10, 1983, RAD mailed RFAIs to the Committee requesting that it repay the excessive contributions it received in the form of loan or loan endorsements and that it correctly report the loan terms. On October 10, the Committee accountant and assistant treasurer,

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Lawrence Ragland, stated that the loans totalling $50,000 had been repaid. The Committee's 30 Day Post Special General Report received on September 22, 1983, disclosed repayment of the $50,000 in loans plus $883 in interest on September 12, 1983, to the Independence National Bank. On November 16, the Committee filed an amendment stating that it had repaid "$50,000 of the $75,000 in loans from the Independence National Bank." This created some confusion in that the Committee had originally reported the $50,000 loan as being from individuals.

On December 13, 1983, the Committee filed amended 12 Day Pre-Special General and 30 Day Post Special General Reports. The amendments included a Schedule A disclosing the receipt date of the loans and the designation of all loans for the primary election and a Schedule B showing repayment of the $50,000 loan to five individuals. The Committee also stated that the remaining $25,000 loan was repaid on December 2, 1983, and provided a copy of the note made in connection with the loan agreement, marked "Paid". This agreement also disclosed the terms of the loan. The note provided for payment on demand or within eighty days with interest of the bank's base rate plus two per cent prior to demand and base rate plus four per cent after demand. It is signed by the endorsers listed by the Committee.

The endorsers of the $25,000 loan were the candidate and

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Jolyn Robichaux, Sid Ordower, Ernest Bush, Robert Vaughn, Chatman Wailes, and James L. Wright. The individuals either lending a total of $50,000 or endorsing a loan for that amount were the candidate, and Al Johnson, Howard Medley, Edwin Berry, Addie Wyatt, and Jacoby Dickens.

Another loan presenting problems was a $40,000 loan from the candidate disclosed on Schedule C of the Committee's 30 Day Post Special General Report. The report failed to list the loan on Schedule A and did not detail the date, terms, and source of the funds on Schedule C. After two RFAIs were sent, the Committee provided a Schedule A showing the loan was received on September 12, 1983, and that it was actually for $40,850, but has still not provided an amended Schedule C.

The Committee's 12 Day Pre-Special General Report disclosed a $1,000 contribution from Jolyn Robichaux for the primary. This amount is in addition to the loan endorsement by Ms. Robichaux. The amended 30 Day Post Special General Report disclosed a $2,000 refund to Ms. Robichaux. Mr. Ragland's response to RAD's request for clarification of this refund was a statement that this refund was explained in previous correspondence. RAD has received no such previous explanation.

Section 441a(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his committee. Section 441a(f) prohibits acceptance of any contribution made in violation of § 441a. A political committee

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is a person under 2 U.S.C. § 431(11). According to 2 U.S.C. § 441a(a)(4), however, a political committee which has been registered for at least six months, has received contributions from more than 50 persons, and has contributed to five candidates is a multicandidate committee and, according to 2 U.S.C. § 441a(a)(2)(A), may contribute up to $5,000 per election to a candidate or his committee. CANPAC has not received contributions from 50 persons and, therefore, did not qualify as a multicandidate committee at the time of either contribution. CANPAC was, therefore, subject to the § 441a(a)(1)(A) limitations. Consequently, the Office of the General Counsel recommends that the Commission find reason to believe that CANPAC and David Sherbin, as its treasurer, violated 2 U.S.C. § 441a(a)(1)(A) and that the Committee and Odell Hicks, as its treasurer, violated 2 U.S.C. § 441a(f) with respect to CANPAC's contribution.

According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. Although, according to § 431(8)(B)(vii), a loan by a bank made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors." See also 11 C.F.R. § 100.7(a)(1)(C).

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The non-candidate endorsers of the loan, 1/, therefore, each exceeded the limits of 2 U.S.C. § 441a(a)(1)(A) by $2,571. 2/ The non-candidate lendors or endorsers of the $50,000 total were each listed as having loaned $8,333, or $8,334; thus, each of these individuals exceeded the limits of § 441a(a)(1)(A) by $7,333 or $7,334. Receipt of these excessive contributions would be in violation of 2 U.S.C. § 441a(f). Based upon the foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe that Jolyn Robichaux, Sid Ordower, Ernest Bush, Robert Vaughn, Chatman Wailes, James L. Wright, Al Johnson, Howard Medley, Edwin Berry, Addie Wyatt, and Jacoby Dickens violated 2 U.S.C. § 441a(a)(1)(A). This Office also recommends that the Commission find reason to believe that the Committee and Odell Hicks, as its treasurer, violated 2 U.S.C. § 441a(f).

According to 2 U.S.C. § 434(b)(8), the amount and nature of outstanding debts owed by a political committee must be reported. See also 11 C.F.R. § 104.3(d).

For the $25,000 loan, the Committee has listed the lending institution, the endorsers, and the amounts endorsed, and has enclosed a copy of the note involved in the loan. The Committee

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1/ According to 11 C.F.R. § 110.10(a), a candidate for federal office may make unlimited expenditures from personal funds.

2/ The $1,000 contribution by Ms. Robichaux, when added to her endorsement, puts her $3,571 in excess of the § 441a(a)(1)(A) limit in contributions for the general election.

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did not, however, enclose the copy of the note disclosing the terms of the loan until December 9, 1983. Furthermore, the Committee has yet to disclose the terms of the loan on a Schedule C.

For the $50,000 loan, the Committee has provided conflicting information as to whether the loan originated from the Independence National Bank or from the individuals listed as having been repaid. Although the Committee's most recent accounts of the loan give the impression that the loan was from individuals, the repayments are in equal amounts. This gives the impression that the loans came to the Committee in one lump sum of $50,000, and statements by the Committee accountant indicate that the Independence National Bank was the source. No Schedule C filed by the Committee has disclosed the terms of the $50,000 loan or the loans totalling that amount.

With reference to the $40,000 loan from the candidate, the Committee has disclosed the source as the Independence National Bank but has not disclosed the terms of the loan on Schedule C.

Based upon the foregoing information, the General Counsel's Office . recommends that the Commission find reason to believe that the Committee violated 2 U.S.C. § 434(b)(8).

RECOMMENDATIONS

1. Open a Matter Under Review in this matter.

2. Find reason to believe that CANPAC and David Sherbin, as its treasurer, violated 2 U.S.C. § 441a(a)(1)(A) in connection with

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its contributions to the Hayes for Congress Committee.

3. Find reason to believe that the Hayes for Congress Committee and Odell Hicks, as treasurer, violated 2 U.S.C. § 441a(f) in connection with its receipt of contributions from CANPAC.

4. Find reason to believe that Sid Ordower, Ernest Bush, Robert Vaughn, Chatman Wailes, and James L. Wright violated 2 U.S.C. § 441a(a)(1)(A) in connection with the endorsement of a $25,000 loan made to the Hayes for Congress Committee.

5. Find reason to beleive that Jolyn Robichaux violated 2 U.S.C. § 441a(a)(1)(A) in connection with the endorsement of a $25,000 loan and a $1,000 contribution to the Hayes for Congress Committee.

6. Find reason to believe that Al Johnson, Howard Medley, Edwin Berry, Addie Wyatt, and Jacoby Dickens violated 2 U.S.C. § 441a(a)(1)(A) in connection with the $50,000 loan to the Hayes for Congress Committee.

7. Find reason to believe that the Hayes for Congress Committee and Odell Hicks, as treasurer, violated 2 U.S.C. § 441a(f) in connection with the receipt of the $25,000 loan, the $50,000 loan, and Jolyn Robichaux's $1,000 contribution.

8. Find reason to believe that the Hayes for Congress Committee and Odell Hicks, as treasurer, violated 2 U.S.C. § 434(b)(8) in connection with its failure to adequately report the terms of a $25,000 loan, a $50,000 loan, and a $40,000 loan to the Committee.

8904074149

Charles N. Steele
General Counsel

July 5, 1984
Date

By: Kenneth A. Gross
Associate General Counsel

Attachments

1. Referral from RAD.
2. Letter, Factual and Legal Analysis, and Interrogatories to Odell Hicks, Treasurer of the Hayes for Congress Committee.
3. Letter to the Honorable Charles A. Hayes.
4. Letter, and Factual and Legal Analysis to David Sherbin, Treasurer of CANPAC.
5. Letter, Factual and Legal Analysis, and Interrogatories to Jolyn Robichaux.
6. Letter and Factual and Legal Analysis to Sid Ordower.
7. Letter and Factual and Legal Analysis to Robert Vaughn.
8. Letter and Factual and Legal Analysis to Ernest Bush.
9. Letter and Factual and Legal Analysis to James L. Wright.
10. Letter and Factual and Legal Analysis to Chatman Wailes.
11. Letter and Factual and Legal Analysis to Al Johnson.
12. Letter and Factual and Legal Analysis to Howard Medley.
13. Letter and Factual and Legal Analysis to Edwin C. Berry.
14. Letter and Factual and Legal Analysis to Addie Wyatt.
15. Letter and Factual and Legal Analysis to Jacoby Dickens.

8306741150

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	RAD Referral #84L-5
Hayes for Congress Committee	)	
Odell Hicks, Treasurer,	)	
et. al.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 10, 1984, the Commission decided by a vote of 6-0 to take the following actions in RAD Referral #84L-5:

1. Open a Matter Under Review in this matter.

2. Find reason to believe that CANPAC and David Sherbin, as its treasurer, violated 2 U.S.C. § 441a(a)(1)(A) in connection with its contributions to the Hayes for Congress Committee.

3. Find reason to believe that the Hayes for Congress Committee and Odell Hicks, as treasurer, violated 2 U.S.C. § 441a(f) in connection with its receipt of contributions from CANPAC.

4. Find reason to believe that Sid Ordower, Ernest Bush, Robert Vaughn, Chatman Wailes, and James L. Wright violated 2 U.S.C. § 441a(a)(1)(A) in connection with the endorsement of a $25,000 loan made to the Hayes for Congress Committee.

5. Find reason to believe that Jolyn Robichaux violated 2 U.S.C. § 441a(a)(1)(A) in connection with the endorsement of a $25,000 loan and a $1,000 contribution to the Hayes for Congress Committee.

6. Find reason to believe that Al Johnson, Howard Medley, Edwin Berry, Addie Wyatt, and Jacoby Dickens violated 2 U.S.C. § 441a(a)(1)(A)in connection with the $50,000 loan to the Hayes for Congress Committee.

(continued)

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7. Find reason to believe that the Hayes for Congress Committee and Odell Hicks, as treasurer, violated 2 U.S.C. § 441a(f) in connection with the receipt of the $25,000 loan, the $50,000 loan, and Jolyn Robichaux's $1,000 contribution.

8. Find reason to believe that the Hayes for Congress Committee and Odell Hicks, as treasurer, violated 2 U.S.C. § 434(b)(8) in connection with its failure to adequately report the terms of a $25,000 loan, a $50,000 loan, and a $40,000 loan to the Committee.

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

Attest:

7-11-84
Date

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

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Received in Office of Commission Secretary: 7-5-84, 4:24
Circulated on 48 hour tally basis: 7-6-84, 2:00

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY
84 JUL 12 A 9:57

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 11, 1984

SENSITIVE

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

SUBJECT: RAD Referral 84L-5

On July 10, 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-5 should now become MUR # 1738.

Attachment
Copy of Certification

3804074153

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 13, 1984

Odell Hicks, Treasurer
Hayes for Congress Committee
4859 South Wabash Avenue
Chicago, Illinois 60615

Re: MUR 1738
Hayes for Congress Committee

Dear Mr. Hicks:

On July 10 , 1984, the Federal Election Commission determined that there is reason to believe that the Hayes for Congress Committee and you, as treasurer, violated 2 U.S.C. §§ 441a(f) and 434(b)(8), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act") by accepting excessive contributions from a political committee and from individuals and by failing to properly report loan terms. 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. All responses and statements must be submitted under oath.

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

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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 Jonathan Levin, the attorney assigned to this matter, at (202)523-4000.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

3304057415

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1738
STAFF MEMBER & TEL. NO.
Jonathan Levin
(202)523-4000

RESPONDENT Hayes for Congress Committee
Odell Hicks, 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

This matter involves excessive contributions received by the Hayes for Congress Committee ("the Committee") from a political action committee and from various individuals who endorsed loans to the Committee. This matter also involves certain reporting problems related to the loans.

FACTUAL BASIS AND LEGAL ANALYSIS

The Committee's original 12 Day Pre-Special Primary Report disclosed a $4,500 contribution received on June 22, 1983, from the Campaign Committee of the Illinois Public Action Council ("CANPAC") for the primary. After RAD had mailed the Committee a Request for Additional Information (RFAI) on September 13, 1983, the Committee refunded $3,500 to CANPAC on September 26,1983. A review of the Committee's Year End Report reveals that CANPAC contributed another $3,500 the next day for the General Election.

The Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of loans totalling $75,000 on Schedule C. This included a $25,000 loan from the Independence National Bank of Chicago endorsed by six individuals

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and the candidate on July 15, 1983. In addition, a total of $50,000 in loans made on July 25, 1983, was reported on Schedule C from five individuals and the candidate. The loans were reported on Schedule C, but not on Schedule A. Furthermore, the Schedule C reporting did not disclose the terms of the loans.

On September 27 and October 10, 1983, RAD mailed RFAIs to the Committee requesting that it repay the excessive contributions it received in the form of loan or loan endorsements and that it correctly report the loan terms. On October 10, the Committee accountant and assistant treasurer, Lawrence Ragland, stated that the loans totalling $50,000 had been repaid. The Committee's 30 Day Post Special General Report received on September 22, 1983, disclosed repayment of the $50,000 in loans plus $883 in interest on September 12, 1983, to the Independence National Bank. On November 16, the Committee filed an amendment stating that it had repaid "$50,000 of the $75,000 in loans from the Independence National Bank." This created some confusion in that the Committee had originally reported the $50,000 loan as being from individuals.

On December 13, 1983, the Committee filed amended 12 Day Pre-Special General a 30 Day Post Special General Reports. The amendments included Schedule As' disclosing the receipt date of the loans and the designation of all loans for the primary election and Schedule B showing repayment of the $50,000 loan to

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five individuals. The Committee also stated that the remaining $25,000 loan was repaid on December 2, 1983, and provided a copy of the note made in connection with the loan agreement, marked "Paid". This agreement also disclosed the terms of the loan. The note provided for payment on demand or within eighty days with interest of the bank's base rate plus two per cent prior to demand and base rate plus four per cent after demand. It is signed by the endorsers listed by the Committee.

The endorsers of the $25,000 loan were the candidate and Jolyn Robichaux, Sid Ordower, Ernest Bush, Robert Vaughn, Chatman Wailes, and James L. Wright. The individuals either lending a total of $50,000 or endorsing a loan for that amount were the candidate, and Al Johnson, Howard Medley, Edwin Berry, Addie Wyatt, and Jacoby Dickens.

Another loan presenting problems was a $40,000 loan from the candidate disclosed on Schedule C of the Committee's 30 Day Post Special General Report. The report failed to list the loan on Schedule A and did not detail the date, terms, and source of the funds on Schedule C. After two RFAIs were sent, the Committee provided a Schedule A showing the loan was received on September 12, 1983, and that it was actually for $40,850, but has still not provided an amended Schedule C.

The Committee's 12 Day Pre-Special General Report disclosed a $1,000 contribution from Jolyn Robichaux for the primary. This

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amount is in addition to the loan endorsement by Ms. Robichaux. The amended 30 Day Post Special General Report disclosed a $2,000 refund to Ms. Robichaux. Mr. Ragland's response to RAD's request for clarification of this refund was a statement that this refund was explained in previous correspondence. RAD has received no such explanation.

Section 441a(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his committee. Section 441a(f) prohibits acceptance of any contribution made in violation of § 441a. A political committee is a person under 2 U.S.C. § 431(11). According to 2 U.S.C. § 441a(a)(4), however, a political committee which has been registered for at least six months, has received contributions from more than 50 persons, and has contributed to five candidates is a multicandidate committee and, according to 2 U.S.C. § 441a(a)(2)(A), may contribute up to $5,000 per election to a candidate or his committee. CANPAC has not received contributions from 50 persons and, therefore, was not a multicandidate committee at the time of either contribution. It was, therefore, subject to the § 441a(a)(1)(A) limitations. The Office of the General Counsel, therefore, recommends that the Commission find reason to believe that the Committee and Odell Hicks, as its treasurer, violated 2 U.S.C. § 441a(f) with respect to CANPAC's contribution.

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According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. Although, according to § 431(8)(B)(vii), a loan by a bank made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors." See also 11 C.F.R. § 100.7(a)(1)(C). The endorsers of the $25,000 loan are each considered as having endorsed $3,571 of the loan. The non-candidate endorsers of the loan, 1/, therefore, each exceeded the limits of 2 U.S.C. § 441a(a)(1)(A) by $2,571. 2/ The non-candidate lendors or endorsers of the $50,000 total were each listed as having loaned $8,333, or $8,334; thus, each of these individuals exceeded the limits of § 441a(a)(1)(A) by $7,333 or $7,334. Receipt of these excessive contributions would be in violation of 2 U.S.C. § 441a(f). Based upon the foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe that the Committee and Odell Hicks, as its treasurer, violated 2 U.S.C. § 441a(f).

1/ According to 11 C.F.R. § 110.10(a), a candidate for federal office may make unlimited expenditures from personal funds.

2/ The $1,000 contribution by Ms. Robichaux, when added to her previous endorsement, puts her $3,571 in excess of the § 441a(a)(1)(A) limit in contributions for the general election.

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According to 2 U.S.C. § 434(b)(8), the amount and nature of outstanding debts owed by a political committee must be reported. See also 11 C.F.R. § 104.3(d).

For the $25,000 loan, the Committee has listed the lending institution, the endorsers, and the amounts endorsed, and has enclosed a copy of the note involved in the loan. The Committee did not, however, enclose the copy of the note disclosing the terms of the loan until December 9, 1983. Furthermore, the Committee has yet to disclose the terms of the loan on a Schedule C.

For the $50,000 loan, the Committee has provided conflicting information as to whether the loan originated from the Independence National Bank or from the individuals listed as being repaid. While the Committee's most recent accounts of the loan give the impression that the loan was from individuals, the repayments are in equal amounts. This gives the impression that the loans came to the Committee in one lump sum of $50,000, and statements by the Committee accountant indicate that the Independence National Bank was the source. No Schedule C filed by the Committee has disclosed the terms of the $50,000 loan or the loans totalling that amount.

With reference to the $40,000 loan from the candidate, the Committee has disclosed the source as the Independence National Bank but has not disclosed the terms of the loan on Schedule C.

Based upon the foregoing information, the Office of the General Counsel recommends that the Commission find reason to believe that the Committee violated 2 U.S.C. § 434(b)(8).

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Odell Hicks, Treasurer
Hayes for Congress Committee

INTERROGATORIES

1. State whether the $50,000 loan reported on the 12 Day Pre-Special General Report as being made to the Hayes for Congress Committee ("the Committee") was made by the Independence National Bank or by the combined loans of Charles Hayes, Al Johnson, Howard Medley, Edwin Berry, Addie Wyatt, and Jacoby Dickens.

   a. State whether the individual sums of $8,333 and $8,334 which were returned on September 12, 1983, were repaid to the Independence National Bank or returned to the individuals named in Question 1.

2. Explain why $2,000 was refunded to Jolyn Robichaux on August 15, 1983. State the date(s) and amount(s) of the contribution(s) to which this refund was applied.

3. State whether or not there were any endorsers or guarantors on the $40,850 loan originating at the Independence National Bank and made by the candidate to the Committee on September 12, 1983.

   a. If there were any endorsers or guarantors, state who they were and how much each person endorsed or guaranteed.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 13, 1984

The Honorable Charles A. Hayes
1631 Longworth House Office Building
Washington, D.C. 20515

Re: MUR 1738
Hayes for Congress Committee

Dear Congressman Hayes:

This is to advise you that on July 10, 1984, the Federal Election Commission found reason to believe that your committee, the Hayes for Congress Committee, and Odell Hicks, as treasurer of the committee, violated 2 U.S.C. §§ 441a(f) and 434(b)(8), provisions of the Federal Election Campaign Act of 1971, as amended, by accepting excessive contributions from a political committee and from individuals and by failing to properly report loan terms.

Although the committee treasurer is responsible for the acceptance of contributions made to a federal committee and improper reporting, we believe that you, as the candidate, should be made aware of this development. A copy of our letter to your committee treasurer is enclosed.

Under 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), this matter will remain confidential unless the committee and Odell Hicks, as treasurer, notify the Commission in writing that they wish the investigation to be made public.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202)523-4000. We have numbered this matter MUR 1738.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosure
Letter to committee treasurer

8804057416 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 13, 1984

Jacoby Dickens
435 E. 87th Street
Chicago, Illinois 60619

Re: MUR1738
Jacoby Dickens

Dear Mr. Dickens:

On July 10 , 1984, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making an excessive contribution to the Hayes for Congress Committee either in the form of a loan endorsement or direct contribution of $8,333. 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. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. In addition, please state whether your endorsement of the loan to the Hayes for Congress Committee was for Congressman Hayes' primary or general election candidacy. All statements and responses must be submitted under oath, 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 you, 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

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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 Jonathan Levin, the attorney assigned to this matter, at (202)523-4000.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1738
STAFF MEMBER & TEL. NO.
Jonathan Levin
(202)523-4000

RESPONDENT Jacoby Dickens

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

This matter involves an allegation that Jacoby Dickens was one of six individuals endorsing a $50,000 loan to the Hayes for Congress Committee ("the Hayes Committee") or loaned $8,333 to the Hayes Committee in violation of 2 U.S.C. § 441a(a)(1)(A).

FACTUAL BASIS AND LEGAL ANALYSIS

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a total of $50,000 in loans from six individuals, including Jacoby Dickens. The Hayes Committee's 30 Day Post Special General Report received on September 22, 1983, disclosed repayment of the $50,000 in loans plus $833 in interest on September 12, 1983, to the Independence National Bank. An amendment sent to the Commission by the Hayes Committee on November 16, 1983, stated that it had repaid the $50,000 in loans to the bank. This created some confusion in that the Hayes Committee had originally reported the $50,000 loan as being from individuals.

On December 13, 1983, the Committee filed amended 12 Day Pre-Special General and 30 Day Post Special General Reports designating the $50,000 total for the primary. A Schedule A

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(committee receipts) of the first report disclosed an individual contribution of $8,333 from Mr. Dickens. A Schedule B (committee disbursements) from the latter report disclosed a repayment of $8,333 to Mr. Dickens.

Section 441a(a)(1)(A) of Title 2 places a $1,000 limit on contributions per election by a person to a candidate or his committee. A contribution of $8,333 would be in excess of this limit. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. While 2 U.S.C. § 431(8)(B)(vii) provides that a bank loan made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers. As one of six endorsers of the $50,000 loan, Mr. Dickens is considered to have endorsed $8,333 of the loan.

Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe that Jacoby Dickens violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 13, 1984

Addie Wyatt
8907 S. Chappel
Chicago, Illinois 60617

Re: MUR 1738
Addie Wyatt

Dear Ms. Wyatt:

On July 10, 1984, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making an excessive contribution to the Hayes for Congress Committee either in the form of a loan endorsement or direct contribution of $8,333. 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. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. In addition, please state whether your endorsement of the loan to the Hayes for Congress Committee was for Congressman Hayes' primary or general election candidacy. All statements and responses must be submitted under oath, 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 you, 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

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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 Jonathan Levin, the attorney assigned to this matter, at (202)523-4000.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

8940574169

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1738
STAFF MEMBER & TEL. NO.
Jonathan Levin
(202)523-4000

RESPONDENT Addie Wyatt

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

This matter involves an allegation that Addie Wyatt was one of six individuals endorsing a $50,000 loan to the Hayes for Congress Committee ("the Hayes Committee") or loaned $8,333 to the Hayes Committee in violation of 2 U.S.C. § 441a(a)(1)(A).

FACTUAL BASIS AND LEGAL ANALYSIS

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a total of $50,000 in loans from six individuals, including Addie Wyatt. The Hayes Committee's 30 Day Post Special General Report received on September 22, 1983, disclosed repayment of the $50,000 in loans plus $833 in interest on September 12, 1983, to the Independence National Bank. An amendment sent to the Commission by the Hayes Committee on November 16, 1983, stated that it had repaid the $50,000 in loans to the bank. This created some confusion in that the Hayes Committee had originally reported the $50,000 loan as being from individuals.

On December 13, 1983, the Committee filed amended 12 Day Pre-Special General and 30 Day Post Special General Reports designating the $50,000 total for the primary. A Schedule A

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(committee receipts) of the first report disclosed an individual contribution of $8,333 from Ms. Wyatt A Schedule B (committee disbursements) from the latter report disclosed a repayment of $8,334 to Ms. Wyatt.

Section 441a(a)(1)(A) of Title 2 places a $1,000 limit on contributions per election by a person to a candidate or his committee. A contribution of $8,334 would be in excess of this limit. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. While 2 U.S.C. § 431(8)(B)(vii) provides that a bank loan made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers. As one of six endorsers of the $50,000 loan, Ms. Wyatt is considered to have endorsed $8,333 of the loan.

Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe that Addie Wyatt violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 13, 1984

Edwin C. Berry
8522 S. LaFayette
Chicago, Illinois 60620

Re: MUR 1738
Edwin C. Berry

Dear Mr. Berry:

On July 10 , 1984, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making an excessive contribution to the Hayes for Congress Committee either in the form of a loan endorsement or direct contribution of $8,333. 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. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. In addition, please state whether your endorsement of the loan to the Hayes for Congress Committee was for Congressman Hayes' primary or general election candidacy. All statements and responses must be submitted under oath, 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 you, 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

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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 Jonathan Levin, the attorney assigned to this matter, at (202)523-4000.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1738
STAFF MEMBER & TEL. NO.
Jonathan Levin
(202)523-4000

RESPONDENT Edwin Berry

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

This matter involves an allegation that Edwin Berry was one of six individuals endorsing a $50,000 loan to the Hayes for Congress Committee ("the Hayes Committee") or loaned $8,333 to the Hayes Committee in violation of 2 U.S.C. § 441a(a)(1)(A).

FACTUAL BASIS AND LEGAL ANALYSIS

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a total of $50,000 in loans from six individuals, including Edwin Berry. The Hayes Committee's 30 Day Post Special General Report received on September 22, 1983, disclosed repayment of the $50,000 in loans plus $833 in interest on September 12, 1983, to the Independence National Bank. An amendment sent to the Commission by the Hayes Committee on November 16, 1983, stated that it had repaid the $50,000 in loans to the bank. This created some confusion in that the Hayes Committee had originally reported the $50,000 loan as being from individuals.

On December 13, 1983, the Committee filed amended 12 Day Pre-Special General and 30 Day Post Special General Reports designating the $50,000 total for the primary. A Schedule A

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(committee receipts) of the first report disclosed an individual contribution of $8,333 from Mr. Berry. A Schedule B (committee disbursements) from the latter report disclosed a repayment of $8,333 to Mr. Berry.

Section 44la(a)(1)(A) of Title 2 places a $1,000 limit on contributions per election by a person to a candidate or his committee. A contribution of $8,333 would be in excess of this limit. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. While 2 U.S.C. § 431(8)(B)(vii) provides that a bank loan made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers. As one of six endorsers of the $50,000 loan, Mr. Berry is considered to have endorsed $8,333 of the loan.

Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe that Edwin Berry violated 2 U.S.C. § 44la(a)(1)(A).

8204574175

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 13, 1984

Howard Medley
251 E. 95th Street
Chicago, Illinois 60628

Re: MUR 1738
Howard Medley

Dear Mr. Medley:

On July 10, 1984, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making an excessive contribution to the Hayes for Congress Committee either in the form of a loan endorsement or direct contribution of $8,334. 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. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. In addition, please state whether your endorsement of the loan to the Hayes for Congress Committee was for Congressman Hayes' primary or general election candidacy. All statements and responses must be submitted under oath, 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 you, 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

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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 Jonathan Levin, the attorney assigned to this matter, at (202)523-4000.

Sincerely,

LeeAnn Elliott

Lee Ann Elliott
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1738
STAFF MEMBER & TEL. NO.
Jonathan Levin
(202)523-4000

RESPONDENT Howard Medley

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

This matter involves an allegation that Howard Medley was one of six individuals endorsing a $50,000 loan to the Hayes for Congress Committee ("the Hayes Committee") or loaned $8,334 to the Hayes Committee in violation of 2 U.S.C. § 441a(a)(1)(A).

FACTUAL BASIS AND LEGAL ANALYSIS

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a total of $50,000 in loans from six individuals, including Howard Medley. The Hayes Committee's 30 Day Post Special General Report received on September 22, 1983, disclosed repayment of the $50,000 in loans plus $833 in interest on September 12, 1983, to the Independence National Bank. An amendment sent to the Commission by the Hayes Committee on November 16, 1983, stated that it had repaid the $50,000 in loans to the bank. This created some confusion in that the Hayes Committee had originally reported the $50,000 loan as being from individuals.

On December 13, 1983, the Committee filed amended 12 Day Pre-Special General and 30 Day Post Special General Reports designating the $50,000 total for the primary. A Schedule A

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(committee receipts) of the first report disclosed an individual contribution of $8,334 from Mr. Medley. A Schedule B (committee disbursements) from the latter report disclosed a repayment of $8,334 to Mr. Medley.

Section 441a(a)(1)(A) of Title 2 places a $1,000 limit on contributions per election by a person to a candidate or his committee. A contribution of $8,334 would be in excess of this limit. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. While 2 U.S.C. § 431(8)(B)(vii) provides that a bank loan made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers. As one of six endorsers of the $50,000 loan, Mr. Medley is considered to have endorsed $8,334 of the loan.

Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe that Howard Medley violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 13, 1984

Al Johnson
8425 W. 159th Street
Tinley Park, Illinois 60477

Re: MUR 1738
Al Johnson

Dear Mr. Johnson:

On July 10 , 1984, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making an excessive contribution to the Hayes for Congress Committee either in the form of a loan endorsement or direct contribution of $8,334. 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. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. In addition, please state whether your endorsement of the loan to the Hayes for Congress Committee was for Congressman Hayes' primary or general election candidacy. All statements and responses must be submitted under oath, 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 you, 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

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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 Jonathan Levin, the attorney assigned to this matter, at (202)523-4000.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1738
STAFF MEMBER & TEL. NO.
Jonathan Levin
(202)523-4000

RESPONDENT Al Johnson

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

This matter involves an allegation that Al Johnson was one of six individuals endorsing a $50,000 loan to the Hayes for Congress Committee ("the Hayes Committee") or loaned $8,334 to the Hayes Committee in violation of 2 U.S.C. § 441a(a)(1)(A).

FACTUAL BASIS AND LEGAL ANALYSIS

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a total of $50,000 in loans from six individuals including Mr. Johnson. The Hayes Committee's 30 Day Post Special General Report received on September 22, 1983, disclosed repayment of the $50,000 in loans plus $833 in interest on September 12, 1983, to the Independence National Bank. An amendment sent to the Commission by the Hayes Committee on November 16, 1983, stated that it had repaid the $50,000 in loans to the bank. This created some confusion in that the Hayes Committee had originally reported the $50,000 loan as being from individuals.

On December 13, 1983, the Committee filed amended 12 Day Pre-Special General and 30 Day Post Special General Reports designating the $50,000 total for the primary. A Schedule A

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(committee receipts) of the first report disclosed an individual contribution of $8,334 from Mr. Johnson. A Schedule B (committee disbursements) from the latter report disclosed a repayment of $8,334 to Mr. Johnson.

Section 44la(a)(1)(A) of Title 2 places a $1,000 limit on contributions per election by a person to a candidate or his committee. A contribution of $8,334 would be in excess of this limit. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. While 2 U.S.C. § 431(8)(B)(vii) provides that a bank loan made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers. As one of six endorsers of the $50,000 loan, Mr. Johnson is considered to have endorsed $8,334 of the loan.

Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe that Al Johnson violated 2 U.S.C. § 44la(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 13, 1984

James L. Wright
5132 W. Harrison
Chicago, Illinois 60644

Re: MUR 1738
James L. Wright

Dear Mr. Wright:

On July 10 , 1984, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making an excessive contribution to the Hayes for Congress Committee in the form of a loan endorsement. 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. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. In addition, please state whether your endorsement of the loan to the Hayes for Congress Committee was for Congressman Hayes' primary or general election candidacy. Please submit any materials and responses within ten days of your receipt of this letter. All responses and statements must be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, 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

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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 Jonathan Levin, the attorney assigned to this matter, at (202)523-4000.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1738
STAFF MEMBER & TEL. NO.
Jonathan Levin
(202)523-4000

RESPONDENT James L. Wright

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

This matter involves an allegation that James L. Wright was an endorser on a $25,000 loan to the Hayes for Congress Committee ("the Hayes Committee") from the Independence National Bank in violation of 2 U.S.C. § 441a(a)(1)(A).

FACTUAL BASIS AND LEGAL ANALYSIS

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a $25,000 loan from the Independence National Bank. The report listed seven endorsers, including the candidate. The loan was subsequently designated by the Hayes Committee as being for the primary on the Hayes Committee's amended 12 Day Pre-Special General and 30 Day Post-Special General Reports filed on December 13, 1983.

Section 441a(a)(1)(A) of Title 2 places a $1,000 limit on contributions per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. While 2 U.S.C. § 431(8)(B)(vii) provides that a

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bank loan made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers. As one of seven endorsers of the $25,000 loan, Mr. Wright is considered to have endorsed $3,571 of the loan. This endorsement was in excess of the § 441a(a)(1)(A) limitation by $2,571. Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe that James L. Wright violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 13, 1984

Chatman Wailes
8540 S. Marquette
Chicago, Illinois 60617

Re: MUR 1738
Chatman Wailes

Dear Mr. Wailes:

On July 10 , 1984, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making an excessive contribution to the Hayes for Congress Committee in the form of a loan endorsement. 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. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. In addition, please state whether your endorsement of the loan to the Hayes for Congress Committee was for Congressman Hayes' primary or general election candidacy. Please submit any materials and responses within ten days of your receipt of this letter. All responses and statements must be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, 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

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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 Jonathan Levin, the attorney assigned to this matter, at (202)523-4000.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1738
STAFF MEMBER & TEL. NO.
Jonathan Levin
(202)523-4000

RESPONDENT Chatman Wailes

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

This matter involves an allegation that Chatman Wailes was an endorser on a $25,000 loan to the Hayes for Congress Committee ("the Hayes Committee") from the Independence National Bank in violation of 2 U.S.C. § 441a(a)(1)(A).

FACTUAL BASIS AND LEGAL ANALYSIS

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a $25,000 loan from the Independence National Bank. The report listed seven endorsers, including the candidate. The loan was subsequently designated by the Hayes Committee as being for the primary on the Hayes Committee's amended 12 Day Pre-Special General and 30 Day Post-Special General Reports filed on December 13, 1983.

Section 441a(a)(1)(A) of Title 2 places a $1,000 limit on contributions per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. While 2 U.S.C. § 431(8)(B)(vii) provides that a

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bank loan made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers. As one of seven endorsers of the $25,000 loan, Mr. Wailes is considered to have endorsed $3,571 of the loan. This endorsement was in excess of the § 441a(a)(1)(A) limitation by $2,571. Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe that Chatman Wailes violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 13, 1984

Robert Vaughn
1169 S. Plymouth
Chicago, Illinois 60603

Re: MUR 1738
Robert Vaughn

Dear Mr. Vaughn:

On July 10, 1984, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making an excessive contribution to the Hayes for Congress Committee in the form of a loan endorsement. 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. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. In addition, please state whether your endorsement of the loan to the Hayes for Congress Committee was for Congressman Hayes' primary or general election candidacy. Please submit any materials and responses within ten days of your receipt of this letter. All responses and statements must be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, 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

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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 Jonathan Levin, the attorney assigned to this matter, at (202)523-4000.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1738
STAFF MEMBER & TEL. NO.
Jonathan Levin
(202)523-4000

RESPONDENT Robert Vaughn

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

This matter involves an allegation that Robert Vaughn was an endorser on a $25,000 loan to the Hayes for Congress Committee ("the Hayes Committee") from the Independence National Bank in violation of 2 U.S.C. § 441a(a)(1)(A).

FACTUAL BASIS AND LEGAL ANALYSIS

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a $25,000 loan from the Independence National Bank. The report listed seven endorsers, including the candidate. The loan was subsequently designated by the Hayes Committee as being for the primary on the Hayes Committee's amended 12 Day Pre-Special General and 30 Day Post-Special General Reports filed on December 13, 1983.

Section 441a(a)(1)(A) of Title 2 places a $1,000 limit on contributions per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. While 2 U.S.C. § 431(8)(B)(vii) provides that a

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bank loan made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers. As one of seven endorsers of the $25,000 loan, Mr. Vaughn is considered to have endorsed $3,571 of the loan. This endorsement was in excess of the § 441a(a)(1)(A) limitation by $2,571. Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe that Robert Vaughn violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 13, 1984

Ernest Bush
359 E. 79th Street
Chicago, Illinois 60619

Re: MUR 1738
Ernest Bush

Dear Mr. Bush:

On July 10 , 1984, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making an excessive contribution to the Hayes for Congress Committee in the form of a loan endorsement. 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. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. In addition, please state whether your endorsement of the loan to the Hayes for Congress Committee was for Congressman Hayes' primary or general election candidacy. Please submit any materials and responses within ten days of your receipt of this letter. All responses and statements must be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, 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

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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 Jonathan Levin, the attorney assigned to this matter, at (202)523-4000.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
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Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1738
STAFF MEMBER & TEL. NO.
Jonathan Levin
(202)523-4000

RESPONDENT Ernest Bush

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

This matter involves an allegation that Ernest Bush was an endorser on a $25,000 loan to the Hayes for Congress Committee ("the Hayes Committee") from the Independence National Bank in violation of 2 U.S.C. § 441a(a)(1)(A).

FACTUAL BASIS AND LEGAL ANALYSIS

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a $25,000 loan from the Independence National Bank. The report listed seven endorsers, including the candidate. The loan was subsequently designated by the Hayes Committee as being for the primary on the Hayes Committee's amended 12 Day Pre-Special General and 30 Day Post-Special General Reports filed on December 13, 1983.

Section 441a(a)(1)(A) of Title 2 places a $1,000 limit on contributions per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. While 2 U.S.C. § 431(8)(B)(vii) provides that a

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bank loan made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers. As one of seven endorsers of the $25,000 loan, Mr. Bush is considered to have endorsed $3,571 of the loan. This endorsement was in excess of the § 441a(a)(1)(A) limitation by $2,571. Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe that Ernest Bush violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 13, 1984

Sid Ordower
203 N. Wabash Avenue
Chicago, Illinois 60601

Re: MUR 1738
Sid Ordower

Dear Mr. Ordower:

On July 10, 1984, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making an excessive contribution to the Hayes for Congress Committee in the form of a loan endorsement. 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. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. In addition, please state whether your endorsement of the loan to the Hayes for Congress Committee was for Congressman Hayes' primary or general election candidacy. Please submit any materials and responses within ten days of your receipt of this letter. All responses and statements must be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, 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

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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 Jonathan Levin, the attorney assigned to this matter, at (202)523-4000.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1738
STAFF MEMBER & TEL. NO.
Jonathan Levin
(202)523-4000

RESPONDENT Sid Ordower

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

This matter involves an allegation that Sid Ordower was an endorser on a $25,000 loan to the Hayes for Congress Committee ("the Hayes Committee") from the Independence National Bank in violation of 2 U.S.C. § 441a(a)(1)(A).

FACTUAL BASIS AND LEGAL ANALYSIS

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a $25,000 loan from the Independence National Bank. The report listed seven endorsers, including the candidate. The loan was subsequently designated by the Hayes Committee as being for the primary on the Hayes Committee's amended 12 Day Pre-Special General and 30 Day Post-Special General Reports filed on December 13, 1983.

Section 441a(a)(1)(A) of Title 2 places a $1,000 limit on contributions per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. While 2 U.S.C. § 431(8)(B)(vii) provides that a

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bank loan made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers. As one of seven endorsers of the $25,000 loan, Mr. Ordower is considered to have endorsed $3,571 of the loan. This endorsement was in excess of the § 441a(a)(1)(A) limitation by $2,571. Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe that Sid Ordower violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 13, 1984

Ms. Jolyn Robichaux
4825 S. Indiana Avenue
Chicago, Illinois 60615

Re: MUR 1738
Jolyn Robichaux

Dear Ms. Robichaux:

On July 10 , 1984, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making an excessive contribution to the Hayes for Congress Committee in the form of a loan endorsement and a direct contribution. 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 any such materials along with your answers to the enclosed questions, within ten days of your receipt of this letter. All responses and statements must be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, 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

8204057420 4

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 Jonathan Levin, the attorney assigned to this matter, at (202)523-4000.

Sincerely,

Lee Ann Elliott
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Interrogatories
Procedures
Designation of Counsel Statement

3904057420 5

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1738
STAFF MEMBER & TEL. NO.
Jonathan Levin
(202)523-4000

RESPONDENT Jolyn Robichaux

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

This matter involves an allegation that Jolyn Robichaux was an endorser on a $25,000 loan to the Hayes for Congress Committee ("the Hayes Committee") from the Independence National Bank in violation of 2 U.S.C. § 441a(a)(1)(A). This matter also involves an allegation concerning a $1,000 contribution by Ms. Robichaux to the Hayes Committee's primary effort.

FACTUAL BASIS AND LEGAL ANALYSIS

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a $25,000 loan from the Independence National Bank. The report listed seven endorsers, including the candidate. The loan was subsequently designated by the Committee as being for the primary on the Hayes Committee's amended 12 Day Pre-Special General and 30 Day Post Special General Reports filed on December 13, 1983.

Section 441a(a)(1)(A) of Title 2 places a $1,000 limit on contributions per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. While 2 U.S.C. § 431(8)(B)(vii) provides that a

8904057420 6

bank loan made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers. As one of seven endorsers of the $25,000 loan, Ms. Robichaux is considered to have endorsed $3,571 of the loan. This endorsement was in excess of the § 441a(a)(1)(A) limitation by $2,571.

The Hayes Committee's 12 Day Pre-Special General Report also disclosed an additional $1,000 from Ms. Robichaux for the primary. The Hayes Committee's amended 30 Day Post Special General Report disclosed a $2,000 refund to her. The Committee has not adequately responded to the request by the Reports Analysis Division of the Commission for clarification of this refund.

Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe that Jolyn Robichaux violated 2 U.S.C. § 441a(a)(1)(A).

3304574207

Jolyn Robichaux

INTERROGATORIES

1. State whether the $25,000 loan to the Hayes for Congress Committee which you endorsed was for the primary or the general election.

2. Explain the reason(s) for the $2,000 refund to you from the Hayes for Congress Committee on August 15, 1983. State the date(s) and amount(s) of the contribution(s) to which this refund was applied.

8304067742208

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 13, 1984

David Sherbin, Treasurer
Campaign Committee of the Illinois
Public Action Council
59 East Van Buren
Suite 1210
Chicago, Illinois 60605

Re: MUR 1738
Campaign Committee of the
Illinois Public Action Council
("CANPAC")

Dear Mr. Sherbin:

On July 10, 1984, the Federal Election Commission determined that there is reason to believe that the Campaign and you, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions in excess of $1,000 to the Hayes for Congress Committee. 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 any such materials within ten days of your receipt of this letter. All responses and statements must be submitted under oath.

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

8940574209

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 Jonathan Levin, the attorney assigned to this matter, at (202)523-4000.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

9304074210

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1738
STAFF MEMBER & TEL. NO.
Jonathan Levin
(202)523-4000

RESPONDENT Campaign Committee of the Illinois
Public Action Council
David Sherbin, 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

This matter involves excessive contributions made by the Campaign Committee of the Illinois Public Action Council ("CANPAC") to the Hayes for Congress Committee ("the Hayes Committee").

FACTUAL BASIS AND LEGAL ANALYSIS

According to the 12 Day Pre-Special Primary Report of the Hayes for Congress Committee the Hayes Committee received $4,500 from CANPAC on June 22, 1983, for the upcoming primary election. After the Hayes Committee was notified by the Commission's Reports Analysis Division that this was an excessive contribution, it returned $3,500 to CANPAC on September 26, 1983. According to the Hayes Committee's Year End Report, the Hayes Committee received a $3,500 contribution on September 27, 1983, from CANPAC for the general election.

Section 441a(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his committee. A political committee is a person under 2 U.S.C. § 431(11). According to 2 U.S.C. § 441a(a)(4), however, a

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political committee which has been registered for at least six months, has received contributions from more than 50 persons, and has contributed to five candidates is a multicandidate committee and, according to 2 U.S.C. § 441a(a)(2)(A), may contribute up to $5,000 per election to a candidate or his committee. CANPAC has not received contributions from 50 persons and, therefore, was not a multicandidate committee at the time of either contribution. It was, therefore, subject to the § 441a(a)(1)(A) limitation.

Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe that CANPAC and David Sherbin, as its treasurer, violated 2 U.S.C. § 441a(a)(1)(A).

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RECEIVED BY THE FEC
GCC #4165
84 JUL 26 P12:09

LAW OFFICES
GARLAND W. WATT
AMALGAMATED BANK ANNEX
400 SOUTH DEARBORN STREET · SUITE 500
CHICAGO, ILLINOIS 60605

July 24, 1984

GARLAND W. WATT
WADELL BRENT
ROBERT L. AGUSTO
HUBERT O. THOMPSON

TELEPHONE
(312) 663-1440

Federal Election Commission
General Counselor's Office
Washington, D.C. 20463

Attention: Jonathan Levin, ESq.

Re: NUR 1738
Hayes for Congress Committee
Odell Hicks, Treasurer

Dear Mr. Levin:

Pursuant to our telephone conversation of Tuesday, July 24, 1984, please be advised that the FEC letter dated July 13, 1984, was directed to Mr. Hicks at 4859 South Wabash Avenue, Chicago, Illinois, the headquarters of the Hayes for Congress Committee. Since the letter was postmarked July 13, 1984, a Friday, we would assume it was received at the aforementioned address on Monday, July 16, 1984. However, this letter was not forwarded to Mr. Hicks until today, July 24, 1984. Consequently, I, as attorney for Mr. Hicks, wish to request a 10-day extension within which to submit any factual or legal materials relevant to the Commission's consideration of this matter. Your courtesy in granting us this extension will be greatly appreciated.

I am also enclosing with this letter a Statement of Designation of Counsel executed by Mr. Hicks as required by your July 13, 1984 letter.

At this juncture, we respectfully request that any investigation into the campaign finances of the Hayes for Congress Committee be conducted confidentially in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A).

Sincerely,

Garland W. Watt

GWW:djg

Enclosure: Designation of Counsel Statement

RECEIVED AT THE FEC
BCC #4165
84 JUL 26 P12:09

LAW OFFICES
GARLAND W. WATT
AMALGAMATED BANK ANNEX
400 SOUTH DEARBORN STREET · SUITE 500
CHICAGO, ILLINOIS 60605

GARLAND W. WATT
WADELL BRENT
ROBERT L. AGUSTO
HUBERT O. THOMPSON

TELEPHONE
(312) 663-1440

July 24, 1984

Federal Election Commission
General Counselor's Office
Washington, D.C. 20463

Attention: Jonathan Levin, ESq.

Re: NUR 1738
Hayes for Congress Committee
Odell Hicks, Treasurer

Dear Mr. Levin:

Pursuant to our telephone conversation of Tuesday, July 24, 1984, please be advised that the FEC letter dated July 13, 1984, was directed to Mr. Hicks at 4859 South Wabash Avenue, Chicago, Illinois, the headquarters of the Hayes for Congress Committee. Since the letter was postmarked July 13, 1984, a Friday, we would assume it was received at the aforementioned address on Monday, July 16, 1984. However, this letter was not forwarded to Mr. Hicks until today, July 24, 1984. Consequently, I, as attorney for Mr. Hicks, wish to request a 10-day extension within which to submit any factual or legal materials relevant to the Commission's consideration of this matter. Your courtesy in granting us this extension will be greatly appreciated.

I am also enclosing with this letter a Statement of Designation of Counsel executed by Mr. Hicks as required by your July 13, 1984 letter.

At this juncture, we respectfully request that any investigation into the campaign finances of the Hayes for Congress Committee be conducted confidentially in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A).

Sincerely,

Garland W. Watt

GWW:djg

Enclosure: Designation of Counsel Statement

STATEMENT OF DESIGNATION OF COUNSEL

7-27-84

MUR 1738

NAME OF COUNSEL: Law Offices of Garland W. Watt

ADDRESS: 400 South Dearborn, Suite 500
Chicago, Illinois 60605

TELEPHONE: (312) 663-1440

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.

July 24, 1984
Date

Odell Hicks, Jr.
Signature

RESPONDENT'S NAME: Odell Hicks, Jr.

ADDRESS: 19 South LaSalle, Suite 802
Chicago, Illinois 60603

HOME PHONE: (312) 288-2662

BUSINESS PHONE: (312) 641-0113

2340574214

OFFICE OF THE
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

84 JUL 26 P12:48

July 26, 1984

SENSITIVE

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

SUBJECT: RAD Referral 84L-5

On July 10, 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-5 should now become MUR #1738.

Attachment
Copy of Certification

8304057421 5

Addie L. Wyatt
8901 S. Chappel
Chicago, Illinois 60617
875-6516
483-5645

RECEIVED AT THE FEC

84 JUL 30 A 8:22

All: 42

July 26, 1984

Federal Election Commission
Washington, D. C. 20463
Attn: Jonathan Levin

Dear Mr. Levin:

Please find enclosed my signed statement designating Thomas P. Coffey and Robin P. Charleston to act on my behalf before the Commission.

Respectively,

Addie L. Wyatt

Addie L. Wyatt

Enclosure
ALW:mjs

3 3 0 4 0 5 7 3 2 1 6

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1738

NAME OF COUNSEL: Thomas P. Coffey
Robin P. Charleston

ADDRESS: 200 East Randolph Drive
Suite 6000
Chicago, Illinois 60601

TELEPHONE: (312) 861-2162 (Coffey)
(312) 861-2124 (Charleston)

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.

7-27-84
Date

Addie L. Wyatt
Signature

RESPONDENT'S NAME: Addie L. Wyatt

ADDRESS: 6901 S. Chappel
Chicago, Il 60617

HOME PHONE: (312) 375-6514

BUSINESS PHONE: (202) 223-3111

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STATEMENT OF DESIGNATION OF COUNSEL

RECEIVED AT THE FEC
GCC#4169
84 JUL 27 A8:48

MUR 1738

NAME OF COUNSEL: Thomas P. Coffey
Robin P. Charleston

ADDRESS: 200 East Randolph Drive
Suite 6000
Chicago, Illinois 60601

TELEPHONE: (312) 861-2162 (Coffey)
(312) 861-2124 (Charleston)

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.

7-25-84
Date

Jolyn H. Robichaux
Signature

RESPONDENT'S NAME: Jolyn H. Robichaux

ADDRESS: 8455 South Michigan
Chicago, Il. 60619

HOME PHONE: (312) 723-1229

BUSINESS PHONE: (312) 548-1500

8204057421 8

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1738

NAME OF COUNSEL: Thomas P. Coffey
Robin P. Charleston

ADDRESS: 200 East Randolph Drive
Suite 6000
Chicago, Illinois 60601

TELEPHONE: (312) 861-2162 (Coffey)
(312) 861-2124 (Charleston)

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.

7/24/84
Date

Sid Ordower
Signature

RESPONDENT'S NAME: SID ORDOWER

ADDRESS: 203 N. WABASH AVE.
CHICAGO, IL 60601

HOME PHONE: 363-8747

BUSINESS PHONE: 726-1191

2804057421 9

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1738

NAME OF COUNSEL: Thomas P. Coffey
Robin P. Charleston

ADDRESS: 200 East Randolph Drive
Suite 6000
Chicago, Illinois 60601

TELEPHONE: (312) 861-2162 (Coffey)
(312) 861-2124 (Charleston)

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.

7-25-84
Date

Ernest Bush
Signature

RESPONDENT'S NAME: Ernest Bush

ADDRESS: 8324 So Prairie Ave
Chicago, IL 60619

HOME PHONE: 488.5455

BUSINESS PHONE: 483.4640

8804067422 20

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1738

NAME OF COUNSEL: Thomas P. Coffey
Robin P. Charleston

ADDRESS: 200 East Randolph Drive
Suite 6000
Chicago, Illinois 60601

TELEPHONE: (312) 861-2162 (Coffey)
(312) 861-2124 (Charleston)

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.

1/23/84
Date

Robert H Vaughn
Signature

RESPONDENT'S NAME: Robert H. Vaughn

ADDRESS: 1169 So Plymouth Ct
Chicago, Illinois 60605

HOME PHONE: 922-2890

BUSINESS PHONE: 694-5460

8904057422 1

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1738

NAME OF COUNSEL: Thomas P. Coffey
Robin P. Charleston

ADDRESS: 200 East Randolph Drive
Suite 6000
Chicago, Illinois 60601

TELEPHONE: (312) 861-2162 (Coffey)
(312) 861-2124 (Charleston)

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.

7/25/84
Date

Chatman C. Wailes, Jr.
Signature

RESPONDENT'S NAME: CHATMAN C. WAILES, JR

ADDRESS: 8540 S. MARQUETTE AVE
CHICAGO, ILL.
60617

HOME PHONE: 721-9162

BUSINESS PHONE: 374-3903

8304067422 2

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1738

NAME OF COUNSEL: Thomas P. Coffey
Robin P. Charleston

ADDRESS: 200 East Randolph Drive
Suite 6000
Chicago, Illinois 60601

TELEPHONE: (312) 861-2162 (Coffey)
(312) 861-2124 (Charleston)

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.

7-24-84
Date

James L Wright
Signature

RESPONDENT'S NAME: JAMES L. WRIGHT

ADDRESS: 8201 S. LANGLEY
CHICAGO, IL 60619

HOME PHONE: 483-6108

BUSINESS PHONE:

8904057422 3

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1738

NAME OF COUNSEL: Thomas P. Coffey
Robin P. Charleston

ADDRESS: 200 East Randolph Drive
Suite 6000
Chicago, Illinois 60601

TELEPHONE: (312) 861-2162 (Coffey)
(312) 861-2124 (Charleston)

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.

July 24, 1984
Date

Edwin C. "Bill" Berry
Signature

RESPONDENT'S NAME: Edwin C. "Bill" Berry

ADDRESS: 8522 S. Lafayette
Chicago, Illinois 60620

HOME PHONE: 493-6613

BUSINESS PHONE: 483-4100

8304067424

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1738

NAME OF COUNSEL: Thomas P. Coffey
Robin P. Charleston

ADDRESS: 200 East Randolph Drive
Suite 6000
Chicago, Illinois 60601

TELEPHONE: (312) 861-2162 (Coffey)
(312) 861-2124 (Charleston)

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.

7/25/84
Date

Signature

RESPONDENT'S NAME: Albert W. Johnson

ADDRESS: 990 No. Lake Shore Dr.
Chicago, IL 60611

HOME PHONE: 440-1068

BUSINESS PHONE: 429-6600

3304057422 5

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1738

NAME OF COUNSEL: Thomas P. Coffey
Robin P. Charleston

ADDRESS: 200 East Randolph Drive
Suite 6000
Chicago, Illinois 60601

TELEPHONE: (312) 861-2162 (Coffey)
(312) 861-2124 (Charleston)

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.

7-24-84
Date

Howard C. Medley Sr.
Signature

RESPONDENT'S NAME: Howard C. Medley, Sr.

ADDRESS: 251 E. 95th Street
Chicago, Illinois 60619

HOME PHONE:

BUSINESS PHONE: (312) 821-4000

2304074226

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84 JUL 27 AM 8:

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1738

NAME OF COUNSEL: Thomas P. Coffey
Robin P. Charleston

ADDRESS: 200 East Randolph Drive
Suite 6000
Chicago, Illinois 60601

TELEPHONE: (312) 861-2162 (Coffey)
(312) 861-2124 (Charleston)

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.

7-24-84
Date

Jacoby Dickens
Signature

RESPONDENT'S NAME: JACOBY DICKENS

ADDRESS: 645 E 87th St
Chgo Ill 60619

HOME PHONE: 264-7965

BUSINESS PHONE: 487-4800

8304057427

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 2, 1984

Garland W. Watt, Esquire
400 South Dearborn Street
Suite 500
Chicago, Illinois 60605

Re: MUR 1738
Hayes for Congress Committee
Odell Hicks, Treasurer

Dear Mr. Watt:

Pursuant to your letter dated July 24, 1984, your request for a ten day extension of time in which to respond to the Commission's notification letter is granted. Your response is, therefore, due on August 7, 1984.

If you have any further questions, please contact Jonathan Levin, the attorney assigned to this matter, at 202-523-4000.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

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84 AUG 6 P12:21
GCC#4289

Robin P. Charleston, Esq.
200 East Randolph Drive
Suite 6000
Chicago, Illinois 60601

August 6, 1984

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

Re: MUR 1738

Dear Mr. Levin:

On behalf of the following respondents, I request an extension of time to and including August 10, 1984 for the submission of written responses to requests for information by the Federal Election Commission: Jolyn H. Robichaux, Sid Ordower, Ernest Bush, Robert Vaughn, Chatman C. Wailes, Jr., James L. Wright, Edwin C. "Bill" Berry, Albert W. Johnson, Howard C. Medley, Sr, Jacoby Dickens.

The reasons for this request for extension of time are as follows:

1. Due to my own and some of my client's absences from due to prior commitments during the period initially allowed by the Commission for submission of responses, I have been unable to gather all of the information needed for full responses.

2. The additional time for responding is needed in order to insure that the information requested by the Commission is assembled and that all respondents have an opportunity to review responses drafted on their behalf.

I would appreciate your and the Commission's careful consideration of this request and hope that it will be granted.

Sincerely,

Robin P. Charleston

Robin P. Charleston
Attorney for Jolyn Robichaux,
Sid Ordower, Ernest Bush,
Robert Vaughn, Charman Wailes, Jr.,
James Wright, Edwin C. "Bill" Berry,
Albert W. Johnson, Howard C. Medley, Sr.,
Jacoby Dickens

8 3 0 4 0 5 7 4 2 2 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 10, 1984

Robin P. Charleston, Esquire
200 East Randolph Drive
Suite 6000
Chicago, Illinois 60601

Re: MUR 1738

Dear Ms. Charleston:

Pursuant to your request, dated August 6, 1984, the Office of General Counsel has granted your request for an extension of time to file a response. Your response is, therefore, due on August 10, 1984.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at 202-523-4000.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

8904057423 0

GCC 4317

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HAND DELIVERED
84 AUG 13 A 9:14

KIRKLAND & ELLIS

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

Denver Office
1225 Seventeenth Street
Denver, Colorado 80202
303 291-3000

200 East Randolph Drive
Chicago, Illinois 60601
Telex 25-4361

312 861-2000

Washington Office
655 Fifteenth Street, N.W.
Washington, D.C. 20005
Telex 89-690
202 879-5000

To Call Writer Direct
312 861- 2124

August 10, 1984

VIA EXPRESS MAIL

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

Re: MUR 1738

Dear Mr. Levin:

Enclosed are the responses on behalf of the Hayes for Congress Committee and the individual respondents with the exception of Odell Hicks, who is represented separately, to the issues raised by the FEC concerning the $25,000 loan, the $50,000 loan, and the $2,000 refund. Some signed attestations from the respondents are missing. I will forward them to you as soon as I receive them.

I am sending you the responses concerning the $40,500 loan and other issues separately, because they are still in the process of being completed. My understanding is that there were no endorsers guarantors on that loan.

Please do not hesitate to telephone me if you have any questions.

Sincerely,

Robin P. Charleston

RPC/ldp
Enclosures

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RESPONSE TO FEDERAL ELECTION COMMISSION
FINDING CONCERNING $2,000 REFUND FROM
HAYES FOR CONGRESS COMMITTEE

This response is submitted on behalf of Jolyn Robichaux and the Hayes for Congress Committee for the Federal Election Commission's consideration in connection with MUR 1738. The respondents understand that the Commission has questioned a refund in the amount of $2,000 made by the Committee to Ms. Robichaux.

This refund was made following the Committee's receipt of a check for a $3,000 contribution from Ms. Robichaux. When Committee representatives realized that a contribution in excess of the $1,000 limitation for individuals had been received, they caused a refund of the excess amount to be made to Ms. Robichaux.

The respondents believe that no violation has occurred and respectfully request that the Commission take no further action on this matter.

3940674232

Jolyn H. Robichaux, being sworn, states that the foregoing statement is true and accurate.

Jolyn H. Robichaux

Subscribed and Sworn to
before me this ___ day
of August, 1984.

_____
Notary Public

8307457423 3

Hayes for Congress Committee, being sworn, states that the foregoing statement is true and accurate.

HAYES FOR CONGRESS COMMITTEE

By _____

Subscribed and Sworn to
before me this ____ day
of August, 1984.

_____
Notary Public

8804074234

RESPONSE TO FEDERAL ELECTION COMMISSION
FINDING ON $25,000 LOAN TO HAYES FOR CONGRESS
COMMITTEE - MUR 1738

This response is submitted on behalf of Ernest Bush, Sid Ordower, Jolyn Robichaux, Robert Vaughn, Chatman Wailes, Jr., James Wright, and the Hayes for Congress Committee for the Federal Election Commission's consideration in connection with charge MUR 1738. The respondents have been informed by the Commission that it has determined that there is reason to believe that the individual respondents violated the Federal Election Campaign Act by making excessive contributions to the Hayes for Congress Committee in the form of loan endorsements and that the Committee violated the Act by accepting excessive contributions. For the reasons set forth in this response, the respondents believe that no further action should be taken by the Commission against them.

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Background

As set forth in the Commission's factual and legal analysis, the individual respondents and the candidate endorsed a bank loan for $25,000 to the Hayes for Congress Committee in connection with a primary election. The Commission has evaluated that loan as being attributable to each endorser as a contribution of $3,571, exceeding the Federal Election Campaign Act's $1,000 limitation by $2,571.

Statement of Position

It is the respondents' position that the Commission should take no further action on this matter for several reasons:

First, the respondents did not intend to evade or violate the Act. All were unaware at the time the endorsements were made that the endorsements could be considered contributions; in fact, the expectation was that the loan obligation would be paid in full from legitimate contributions to the Committee; this expectation was fulfilled.

Second, because the loan obligation was repaid in full, there is currently no violation by any of the respondents. Without minimizing the seriousness of the Commission's charge, the respondents point out that the violation was a technical and transitory one.

Third, the Commission should take into account the fact that one of the endorsers was the candidate, who legally could have contributed more than $1,000 of his own funds, and therefore could legally bear a share of the "contribution" attributed by the Commission to the non-candidate endorsers large enough to place them within the $1,000 limit.

9974042336

Conclusion

Based on the foregoing, the respondents respectfully submit that there has been no violation of the intent of the Act, i.e., to prevent excessive contributions by individuals. Furthermore, the endorsement issue raised by the Commission resulted from oversight and not from any intent on the part of any of the respondents to violate the requirements of the Act. The respondents therefore request that the Commission take no further action against them on this matter.

Ernest Bush, being sworn, states that the foregoing statement is true and accurate.

_____

Subscribed and Sworn to
before me this ___ day
of August, 1984.

_____
Notary Public

8804067492237

Sid Ordower, being sworn, states that the foregoing statement is true and accurate.

Sid Ordower

Subscribed and Sworn to
before me this ___ day
of August, 1984.

_____
Notary Public

3304067992238

Jolyn Robichaux, being sworn, states that the foregoing statement is true and accurate.

Jolyn H. Robichaux

Subscribed and Sworn to
before me this ___ day
of August, 1984.

_____
Notary Public

8374239

Robert Vaughn, being sworn, states that the foregoing statement is true and accurate.



Subscribed and Sworn to
before me this ___ day
of August, 1984.

_____
Notary Public

8904057424240

Chatman C. Wailes, Jr., being sworn, states that the foregoing statement is true and accurate.

Chatman C. Wailes Jr.

Subscribed and Sworn to
before me this ___ day
of August, 1984.

_____
Notary Public

8804067492411

James Wright, being sworn, states that the foregoing statement is true and accurate.

_____

Subscribed and Sworn to
before me this ___ day
of August, 1984.

_____
Notary Public

8304067424 2

Hayes for Congress Committee, being sworn, states that the foregoing statement is true and accurate.

HAYES FOR CONGRESS COMMITTEE

By _____

Subscribed and Sworn to
before me this ____ day
of August, 1984.

_____
Notary Public

8304074243

3304074244

RESPONSE TO FEDERAL ELECTION COMMISSION FINDING ON $50,000 LOAN TO HAYES FOR CONGRESS COMMITTEE - MUR 1738

This response is submitted on behalf of Addie Wyatt, Edwin C. Berry, Albert Johnson, Sr., Jacoby Dickens, Howard Medley, and the Hayes for Congress Committee for the Federal Election Commission's consideration in connection with charge MUR 1738. The respondents have been informed by the Commission that it has determined that there is reason to believe that the individual respondents violated the Federal Election Campaign Act by making excessive contributions to the Hayes for Congress Committee in the form of loan endorsements and that the Hayes for Congress Committee violated the Act by accepting excessive contributions and by not fully reporting details relating to the loan. For the reasons set forth in this response, the respondents believe that no further action should be taken against them.

Background

As shown by the enclosed documents, the individual respondents and the candidate endorsed a bank loan for $50,000 to the Hayes for Congress Committee in connection with a general election. The Commission, in its factual and legal analysis, has evaluated that loan as being attributable to each non-candidate endorser as a contribution of $8,333 or $8,334, exceeding the Federal Election Campaign Act's $1,000 limitation by $7,333 or $7,334. As the enclosed papers also show, most of that loan was repaid as of June 1, 1984. Repayments were made from Committee funds, and not by the endorsers.

Statement of Position

It is the respondents' position that the Commission should take no further action on this matter for several reasons:

First, the respondents did not intend to evade or violate the Act. All were unaware at the time the endorsements were made that the endorsements could be considered contributions; in fact, the expection was that the loan obligation would be paid in full from legitimate contributions to the Committee; this expectation has been fulfilled, since most of the loan has been repaid from such funds and since the balance will also be repaid from such funds. The repayment sums of $8,333 and $8,334 questioned by the Commission in its interrogatory and in the text of its analysis were repaid to the bank and not to the individuals.

Second, the Commission should take into account the fact that one of the endorsers was the candidate, who, as the Commission's analysis notes, can make unlimited contributions from personal funds, and therefore could legally bear a share of the "contribution" attributed by the Commission to the non-candidate endorsers large enough to place them within the $1,000 limit.

Third, the Committee is willing to make any corrective reports required to rectify the deficiencies identified by the Commission.

Conclusion

Based on the foregoing, the respondents respectfully submit that there has been no violation of the intent of the Act, i.e., to prevent excessive contributions by individuals. Furthermore, both the endorsement issue and the reporting issue raised

8304067492 45

by the Commission resulted from oversight and not from any intention on the part of any of the respondents to violate the requirements of the Act. The respondents therefore request that the Commission take no further action against them on this matter.

3940574246

Addie Wyatt, being sworn, states that the foregoing statement is true and accurate.

_____

Subscribed and Sworn to
before me this ___ day
of August, 1984.

_____
Notary Public

8804057442447

Edwin C. "Bill" Berry, being sworn, states that the foregoing statement is true and accurate.

Edwin C. "Bill" Berry

Subscribed and Sworn to
before me this ___ day
of August, 1984.

_____
Notary Public

3 8 0 4 0 6 7 4 2 4 8

Albert W. Johnson, being sworn, states that the foregoing statement is true and accurate.

_____

Subscribed and Sworn to
before me this ___ day
of August, 1984.

_____

8304037442249

Jacoby Dickens, being sworn, states that the foregoing statement is true and accurate.

_____

Subscribed and Sworn to
before me this ___ day
of August, 1984.

_____
Notary Public

8304574250

OFFICER	APPROVED

*Base Rate of Independence Bank of Chicago which may change from time to time

No. _____ Due October 1 19 84 Chicago, Ill. April 4 19 84 Amount $2,500.00

One Hundred Eighty (180) Days _____, After Date,
for value received, the Undersigned, jointly and severally, promise(s) to pay to the order of

INDEPENDENCE BANK OF CHICAGO

(hereinafter called "Bank") at its office in Chicago, Illinois,

Two Thousand Five Hundred and no/100---------- Dollars,
with interest thereon at the rate of B/R*+1 percent per annum from date until maturity October 1, 1984 and with interest after maturity at the rate of B/R*+2 percent per annum until paid. Interest shall be computed on the basis of a X360 -day year and charged for the actual number of days elapsed. Undersigned agrees to pay reasonable attorneys' fees, costs and expenses incurred by Bank in the collection and enforcement of this Note.

Demand, protest and notice of non-payment and dishonor are hereby severally waived by the makers, endorsers, and guarantors (hereinafter called "Obligors"). The holder hereof may, at any time or times hereafter, without notice, appropriate and apply toward the payment of this Note, whether due or not, any moneys, credits or other property belonging to the Undersigned, or to any endorser or guarantor, in the possession or under the control of the legal holder hereof, as well as any indebtedness (whether then due or not then due) of the holder hereof to any one or more of the Undersigned, or any endorser or guarantor, however created or arising, including, but without limitation to, any and all balances, credits, deposits, accounts, or moneys of any one or more of the Undersigned, or any endorser or guarantor and such legal holder is hereby given a first and prior lien upon such moneys, credits, indebtedness and other property. In the event of non-payment, when due, of any amount payable on this Note or any other indebtedness or obligation of Obligor to the Bank, or the death or incompetency of any Obligor, or the insolvency, bankruptcy, liquidation, cessation of business or entry of any judgment or decree against any Obligor, or if the Bank shall deem itself insecure, this Note may, at the option of the holder, and without notice or demand of any kind, be declared and shall become immediately due and payable. The validity and construction of this note shall be governed by the laws of the State of Illinois.

To further secure the payment of this Note the Undersigned hereby, jointly and severally, irrevocably authorize any attorney of any court of record to appear for them, or any of them, in such court in term time or vacation, at any time after payment is due, whether by acceleration or otherwise, and confess a judgment without process against them, or any one or more of them, in favor of the holder of this Note for such sum as may appear to be unpaid and owing thereon together with interest, costs and attorneys' fees, and to waive and release all errors which may intervene in such proceeding and consent to immediate execution upon such judgment, hereby ratifying and confirming all that said attorney may do by virtue hereof.

Address 4859 So. Wabash
Number & Street
Chicago, IL. 60637
City & State Zip Code

Telephone Social Security No. or Corp. I.D. No.

Charles Hayes
Charles Hayes

Days	Rate	Discount	Initial
180	B/R*+1	$	

FORM NO. UCL-1 UNSECURED COMMERCIAL TIME NOTE
Printed from ILLIANA FINANCIAL, INC.

OFFICER	APPROVED

*Base Rate of Independence Bank of Chicago which may change from time to time

No. _____ Due August 29 19 84 Chicago, Ill. June 1 19 84 Amount $ 13,186.61

Ninety (90) Days _____, After Date,

for value received, the Undersigned, jointly and severally, promise(s) to pay to the order of

INDEPENDENCE BANK OF CHICAGO

(hereinafter called "Bank") at its office in Chicago, Illinois,

Thirteen Thousand One Hundred Eighty six and 61/100---------- Dollars,

with interest thereon at the rate of B/R*+1 percent per annum from date until maturity August 29, 1984 and with interest after maturity at the rate of B/R*+2 percent per annum until paid. Interest shall be computed on the basis of a X 360 ____ -day year and charged for the actual number of days elapsed. Undersigned agrees to pay reasonable attorneys' fees, costs and expenses incurred by Bank in the collection and enforcement of this Note.

Demand, protest and notice of nonpayment and dishonor are hereby severally waived by the makers, endorsers, and guarantors (hereinafter called "Obligors"). The holder hereof may, at any time or times hereafter, without notice, appropriate and apply toward the payment of this Note, whether due or not, any moneys, credits or other property belonging to the Undersigned, or to any endorser or guarantor, in the possession or under the control of the legal holder hereof at such time, on any indebtedness (whether then due or not then due) of the holder hereof to any one or more of the Undersigned, or any endorser or guarantor, however created or arising, including, but without limitation to, any and all balances, credits, deposits, accounts, or moneys of any one or more of the Undersigned or any endorser or guarantor, and such legal holder is hereby given a first and prior lien upon such moneys, credits, indebtedness and other property. In the event of non-payment, when due, of any amount payable on this Note or any other indebtedness or obligation of Obligor to the Bank, or the death or incompetency of any Obligor, or the insolvency, bankruptcy, liquidation, cessation of business or entry of any judgement or decree against any Obligor, or if the Bank shall deem itself insecure, this Note may, at the option of the holder, and without notice or demand of any kind, be declared and shall become immediately due and payable. The validity and construction of this note shall be governed by the laws of the State of Illinois

To further secure the payment of this Note the Undersigned hereby, jointly and severally, irrevocably authorize any attorney of any court of record to appear for them, or any of them, in such court in term time or vacation, at any time after payments due, whether by acceleration or otherwise, and confess judgment without process against them, or any one or more of them, in favor of the holder of this Note for such sum as may appear to be unpaid and owing thereon, with interest, costs and attorneys' fees and to waive and release all errors which may intervene in such proceeding and consent to immediate execution upon such judgment, hereby ratifying and confirming all that said attorney may do by virtue hereof.

Address 4859 So. Wabash
Number & Street

Chicago, IL. 60637
City & State Zip Code

Telephone Social Security No. or Corp. I.D. No.

Charles Hayes

Days	Rate	Discount	Initial
90	B/R*+1	$	

FORM NO. UCL-1 UNSECURED COMMERCIAL TIME NOTE
Printed by ILLIANA FINANCIAL, INC.

No. 32643 Due August 3, 1983 Chicago, Ill. July 21, 1983 Amount $ 50,000.00

ON DEMAND, and if no demand is made, then _____ after date, for value received, the Undersigned, jointly and severally, promise(s) to pay to the order of

INDEPENDENCE BANK OF CHICAGO

(hereinafter called "Bank") at its office in Chicago, Illinois,

---Fifty Thousand and no/100---------- Dollars,

th interest thereon from date at the rate of BR+1% per cent per annum initially and at a varying rate per annum thereafter which shall be _____ r cent per annum above the prime rate of this bank and will fluctuate from day to day with such rate but in no event will the rate exceed _____ per cent r annum until demand and at the rate of BR+4% per cent per annum after demand until paid, all interest being payable monthly. Interest shall be com- ted on the basis of a _____ 360 _____ -day year and charged for the actual number of days elapsed. Undersigned agrees to pay reasonable attorneys' fees, costs d expenses incurred by Bank in the collection and enforcement of this Note.

Demand, protest and notice of nonpayment and dishonor are hereby severally waived by the makers, endorsers, and guarantors (hereinafter called "Obligors"). he holder hereof may, at any time or times hereafter, without notice, appropriate and apply toward the payment of this Note, whether due or not, any moneys, edits or other property belonging to the Undersigned, or to any endorser or guarantor, in the possession or under the control of the legal holder hereof, as well any indebtedness (whether then due or not then due) of the holder hereof to any one or more of the Undersigned, or any endorser or guarantor, however eated or arising, including, but without limitation to, any and all balances, credits, deposits, accounts, or moneys of any one or more of the Undersigned, or any ndorser or guarantor, and such legal holder is hereby given a first and prior lien upon such moneys, credits, indebtedness and other property. In the event of non- ayment, when due, of any amount payable on this Note or any other indebtedness or obligation of Obligor to the Bank; or the death or incompetency of any bligor; or the insolvency, bankruptcy, liquidation, cessation of business or entry of any judgment or decree against any Obligor; or if the Bank shall deem itself secure, this Note may, at the option of the holder, and without notice or demand of any kind, be declared and shall become immediately due and payable. The alidity and construction of this note shall be governed by the laws of the State of Illinois.

To further secure the payment of this Note the Undersigned hereby, jointly and severally, irrevocably authorize any attorney of any court of record to appear for hem, or any of them, in such court in term time or vacation, at any time after payment is due, whether by acceleration or otherwise, and confess a judgment without process against them, or any one or more of them, in favor of the holder of this Note for such sum as may appear to be unpaid and owing thereon together ith interest, costs and attorneys' fees, and to waive and release all errors which may intervene in such proceeding and consent to immediate execution upon such udgment, hereby ratifying and confirming all that said attorney may do by virtue hereof.

Address 8901 S. Chappell
Number & Street
Chicago, Illinois
City & State Zip Code

Telephone Social Security No. or Corp. I.D. No.

Days	Rate	Discount	Initial
		$	

Lisa Hyatt
Edwin C. Barry
Gene A Hays

FOR VALUE RECEIVED COMMERCIAL DEMAND NOTE

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

84 AUG 29 P4:27

In the matter of)
)
Hayes for Congress)
Committee, et al)

MUR 1738

SENSITIVE

COMPREHENSIVE INVESTIGATIVE REPORT #1

This matter involves excessive contributions to the Hayes for Congress Committee ("the Committee") by various persons in the form of loan endorsements and by the Campaign Committee of the Illinois Public Action Council ("CANPAC") in the form of a direct contribution in violation of 2 U.S.C. § 441a. This matter also involves incorrect reporting by the Committee in violation of 2 U.S.C. § 434(b)(8). On July 10, 1984, the Commission found reason to believe that the endorsers violated 2 U.S.C. § 441a(a)(1)(A), that CANPAC and its treasurer violated 2 U.S.C. § 441a(a)(1)(A), and that the Committee and its treasurer violated 2 U.S.C. §§ 441a(a)(1)(A), 441a(f), and 434(b)(8).

The endorsers and the Committee have retained counsel and the treasurer of the Committee has retained separate counsel for himself. Both attorneys asked for and were granted extensions of time for filing a response. This Office received a response from counsel for the endorsers and the Committee but has yet to receive a response from counsel for the treasurer.

3 3 0 4 0 5 7 4 2 5 4

As of August 21, this Office had received no response from CANPAC. On that date, in response to a phone inquiry from this Office, a spokesman for CANPAC stated that attorneys for CANPAC would reply immediately. This Office will report shortly to the Commission concerning the next phase of the enforcement process.

Charles N. Steele
General Counsel

August 28, 1984
Date

By: Kenneth A Gross by [illegible]
Kenneth A. Gross
Associate General Counsel

2 9 0 4 0 5 7 4 2 5 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS MWE

DATE: SEPTEMBER 4, 1984

SUBJECT: MUR 1738 - Comprehensive Investigative Report #1 signed August 28, 1984

The above-named document was circulated to the Commission on a 24 hour no-objection basis at 11:00, August 30, 1984.

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

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: **CHARLES N. STEELE**
GENERAL COUNSEL

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

DATE: AUGUST 30, 1984

SUBJECT: COMMENTS RE: MUR 1738 - Comprehensive Investigative Report #1 signed August 28, 1984

Attached is a copy of Commissioner Reiche's **vote sheet with comments regarding** the above-captioned matter.

Attachment:
copy of vote sheet

8304057425 7

1000

SENSITIVE

24-HOUR NO-OBJECTION MATTER

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

'84 AUG 30 P 3:39

DATE & TIME OF TRANSMITTAL THURSDAY, 8-30-84, 11:00

COMMISSIONER McGARRY, AIKENS, McDONALD, ELLIOTT, REICHE, HARRIS

RETURN TO OFFICE OF COMMISSION SECRETARY BY: FRIDAY, AUGUST 31, 1984, 11:00

SUBJECT: MUR 1738 - Comprehensive Investigative Report #1
signed August 28, 1984

( ) I object to the attached report.

COMMENTS: Don't wait further.

Date 8/30/84 Signature Frank P. Reiche

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

8804057425 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 6, 1984

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

ATTENTION: JONATHAN LEVIN

FROM: SHAWN WOODHEAD
SENIOR COMPLIANCE ANALYST
COMPLIANCE BRANCH, REPORTS ANALYSIS DIVISION

SUBJECT: MUR 1738 - HAYES FOR CONGRESS

Please review the attached Request for Additional Information which is to be sent to the Hayes for Congress for the 1984 Mid-Year Report. If no response or an inadequate response is received, a Second Notice will be sent.

Any comments which you may have should be forwarded to RAD by 5:00 p.m. on Monday, September 10, 1984. Thank you.

COMMENTS:

Attachment

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Lawrence Ragland, Treasurer
Hayes for Congress 1983
4859 South Wabash Avenue
Chicago, IL 60615

Identification Number: C00167254

Reference: Mid-Year Report (1/1/84-6/30/84)

Dear Mr. Ragland:

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:

-Line 8 of the Summary Page should equal Line 27 of the Detailed Summary Page.

-This report shows a negative ending cash-on-hand figure. If this figure reflects an overdraft on your account, please indicate this on future reports. You are reminded that outstanding debts of over $500.00 should be itemized on supporting Schedule D. Also, debts of less than $500.00, that have been outstanding for more than sixty (60) days are required to be reported on Schedule D. Please provide an explanation of the negative cash figure.

-On Schedule C of your report, you have failed to include information required by Commission regulations. You must provide the original amount of the loan, the cumulative payment, the outstanding balance and all other terms of the loan. Further, if there are any endorsers or guarantors, their mailing address along with the name of their employer and occupation must be disclosed. Please amend your report to include this information. (11 CFR 100.7(a)(1) and 104.3(d))

An amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of

8904574250

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) 523-4048.

Sincerely,

Pat Sheppard

Pat Sheppard
Reports Analyst
Reports Analysis Division

39240574261

RECEIVED AT THE FEC
GCC# 4820
84 SEP 24 P12:32

LAW OFFICES
GARLAND W. WATT
AMALGAMATED BANK ANNEX
400 SOUTH DEARBORN STREET · SUITE 500
CHICAGO, ILLINOIS 60605

GARLAND W. WATT
WADELL BRENT
HUBERT O. THOMPSON

TELEPHONE
(312) 663-1440

September 21, 1984

Mr. Jonathan Levin
Federal Election Commission
1325 K Street, N.W.
Washington, D.D. 20463

Re: MUR 1738

Dear Mr. Levin:

Enclosed is the response on behalf of Odell Hicks, Treasurer, to the issues raised by the FEC concerning the $4,500 contribution received on June 22, 1983, from the Campaign Committee of te Illinois Public Action Council ("CANPAC") for the primary; the $25,000 loan, the $50,000 loan, the $2,000 refund to Ms. Jolyn Robichaux on August 15, 1983, and the $40,880 loan.

Thank you for your courtesies in the form of telephone calls and please do not hesitate to telephone me if you have any questions.

Very truly yours,

Garland W. Watt

GARLAND W. WATT

GWW/jmg

Enclosures

84 SEP 24 P3:57

9 3 1 4 0 5 7 4 2 6 2

GENERAL RESPONSE OF ODELL HICKS TO FEDERAL ELECTION COMMISSION FINDINGS RE: MUR 1738 HAYES FOR CONGRESS COMMITTEE

Background

On numerous occasions after he launched his campaign for Congress, Charles Hayes commented to Odell Hicks, "I need you, I would like for you to be the Treasurer of my campaign." Recognizing that he did not have a considerable amount of time to devote to the campaign, Mr. Hicks inquired as to the adequacy of the records and who within the organizational structure had knowledge of and was familiar with the requirements of the Federal Election Commission and its reporting requirements. He was advised that Mr. Lawrence Ragland was associated with the campaign, and he spoke with Larry Ragland and Larry informed him that he had worked with Congressman Harold Washington and was very familiar with the requirements of the Federal Election Commission and the needs of a Congressional Committee.

Mr. Ragland assured Mr. Hicks that the records of the Committee were in order and that he was on top of the reporting requirements.

On or about the 4th of July 1983, Mr. Hicks decided to join the Congressional Committee and act as its Treasurer.

The day-to-day bookkeeping entries and receipt of funds was in the hands of a Mrs. Ruth Carruthers at the campaign office, 48th and Wabash Avenue, Chicago, Illinois. Occasionally, Mr. Hicks would stop by this office to sign checks and review the financial records with Mrs. Carruthers. Most days Mr. Hicks would have a telephone conversation with Ruth Carruthers on the cash position and the nature of expenditures for which checks were being issued that day.

3304067426 3

During late July or early August of 1983, Mr. Hicks telephoned Mrs. Carruthers to review with her the cash position of the Committee and to ascertain from her whether there was a need to sign checks. She advised Mr. Hicks that at one of the Committee meetings, the Committee authorized Mr. James L. Wright to be a signature on the account and that all subsequent payments had been reviewed with Mr. Wright and checks signed by him.

Mr. Hicks was concerned about these events and also that the Committee appeared to be operating loosely. He had heard that the Committee had borrowed in July additional funds very similar to the first $25,000 loan, which he knew by this time to be outside of the guidelines of the FEC regulations.

Being concerned about these events, Mr. Hicks discontinued his participation with the Committee.

After the special primary, July 26, 1983, and the filing of the report for the period July 7, through August 3, 1983, Mr. Hicks had no active participation with the Committee.

3304074264

Statement of Position

It is the Respondent's position that the Commission should take no further action against him with regard to MUR 1738 for several reasons:

First, the Respondent did not intend to evade or violate any of the provisions of the Act.

Second, because the Respondent relied on the representation of Mr. Lawrence Ragland, Assistant Treasurer, that the records of the Committee were in order and that he was knowledgeable about the FEC's regulations and reporting requirements. Mr. Ragland had worked in a prior federal election and Respondent relied on Mr. Ragland's personal assurances that he was on top of FEC's regulations and reporting requirements.

Third, the Commission should take into account that the Respondent separated himself from the Committee as soon as he knew that some of its funding methods were possibly violative of FEC regulations.

Conclusion

Based on the foregoing, the Respondent respectfully requests that the Commission take no further action against him on this matter.

39074265

RESPONSE TO FEDERAL ELECTION COMMISSION FINDING
CONCERNING $2,000 REFUND FROM HAYES FOR CONGRESS COMMITTEE

This response is submitted on behalf of Odell Hicks and the Hayes for Congress Committee for the Federal Election Commission's consideration in connection with MUR 1738. The Respondent understands that the Commission has questioned a refund in the amount of $2,000 made by the Committee to Ms. Jolyn Robichaux.

This refund was made following the Committee's receipt of a check for a $3,000 contribution from Ms. Robichaux. When Committee representatives realized that a contribution in excess of the $1,000 limitation for individuals had been received, they caused a refund of the excess amount to be made to Ms. Robichaux.

The Respondent believes that no violation has occurred and respectfully requests that the Commission take no further action on this matter.

3340674266

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

I, ODELL HICKS, being first duly sworn on oath, deposes and states that I have read the foregoing Statements to the Federal Election Commission made in response to MUR 1738 and that the facts stated therein to the best of my knowledge and belief are true, correct and complete.

ODELL HICKS

SUBSCRIBED and SWORN TO before me
this 21 day of SEPTEMBER, 1984.

NOTARY PUBLIC

8804057442567

RESPONSE TO FEDERAL ELECTION COMMISSION FINDING ON $4,500 CONTRIBUTION FROM CANPAC TO HAYES FOR CONGRESS COMMITTEE -- MUR 1738

This response is submitted on behalf of Odell Hicks for the Federal Election Commission's consideration in connection with charge MUR 1738. The Respondent has been informed that the Commission has determined that Odell Hicks, as Treasurer, violated 2 U.S.C. Section 441a(f) with respect to CANPAC's contribution. For reasons set forth in this response, the Respondent believes that no further action should be taken by the Commission against him.

9340074268

Background

As set forth in the Commission's factual and legal analysis, CANPAC had not received contributions from 50 persons and, therefore, was not eligible to contribute $4,500 to the Hayes for Congress Committee on June 22, 1983. It was therefore subject to the Section 441a(a)(1)(A) limitation which prohibits contributions over $1,000 per election by a person to a candidate or his Committee. Section 431(11) defines a political Committee as a person.

Statement of Position

It is the Respondent's position that the Commission should take no further action on this matter for several reasons:

First, when Mr. Hicks was first advised of the receipt of this contribution by Ruth Carruthers, she advised him that she had discussed the matter with Mr. Ragland and the excess contribution was being refunded. On September 26, 1983, the Committee refunded $3,500 to CANPAC.

Second, after the July 26, 1983 Special Primary, and the filing of the report for July 7, through August 3, 1983, Mr. Hicks had no active participation with the Committee.

Third, Mr. Hicks did not intend to evade or violate the Act. He was unaware the FEC's statutory provisions governing contributions by Political Action Committees.

Conclusion

Based on the foregoing, the Respondent, Odell Hicks, respectfully requests that the Commission take no further action against him on this matter.

9930457426 9

RESPONSE TO FEDERAL ELECTION COMMISSION FINDING ON $25,000 LOAN TO HAYES FOR CONGRESS COMMITTEE - MUR 1738

This response is submitted on behalf of Odell Hicks, Treasurer, for the Federal Election Commission's consideration in connection with charge MUR 1738. The Respondent has been informed by the Commission that it has determined that there is reason to believe that several individuals violated the Federal Election Campaign Act by making excessive contributions to the Hayes for Congress Committee in the form of loan endorsements and that the Committee violated the Act by accepting excessive contributions. For the reasons set forth in this repsonse, the Respondent believes that no further action should be taken by the Commission against him.

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Background

As set forth in the Commission's factual and legal analysis, several individuals and the candidate endorsed a bank loan for $25,000 to the Hayes for Congress Committee in connection with a primary election. The Commission has evaluated that loan as being attributable to the Respondent in the amount of $3,571, exceeding the Federal Election Campaign Act's $1,000 limitation by $2,571.

Statement of Position

It is the Respondent's position that the Commission should take no further action on this matter for several reasons:

First, the Respondent did not intend to evade or violate the Act. He was unaware at the time the endorsements were made that the endorsements could be considered contributions; in fact, the expectation was that the loan obligation would be paid in full from legitimate contributions to the Committee, this expectation was fulfilled.

Second, because the loan obligation was repaid in full, there is currently no violation by the Respondent. Without minimizing the seriousness of the Commission's charge, the Respondent points out that the violation was a technical and transitory one.

Third, the Commission should take into account the fact that one of the endorsers was the candidate, who legally could have contributed more than $1,000 of his own funds, and therefore could legally bear a share of the "contribution" attributed by the Commission to the non-candidate endorsers large enough to place them within the $1,000 limit.

Conclusion

Based on the foregoing, the Respondent respectfully submits that there had been no violation of the intent of the Act, i.e., to prevent excessive contributions by individuals. Furthermore, the endorsement issue raised by the Commission resulted from oversight and not from any intent on the part of the Respondent to violate the requirements of the Act. The Respondent therefore requests that the Commission take no further action against him on this matter.

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RESPONSE TO FEDERAL ELECTION COMMISSION
FINDING ON $50,000 LOAN TO HAYES FOR CONGRESS
COMMITTEE - MUR 1738

Odell Hicks, as Treasurer, separated himself from the Committee soon after he heard that the Committee had borrowed additional funds in July under conditions similar to the first loan.

The Respondent has no direct knowledge of this transaction.

The Respondent did not personally participate in the alleged violation and respectfully requests that the Commission take no further action on this matter against him.

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RESPONSE TO FEDERAL ELECTION COMMISSION
INTERROGATORY REGARDING A $40,880 LOAN FROM
THE CANDIDATE TO THE COMMITTEE

Odell Hicks, as Treasurer, separated himself from the Committee soon after he heard that the Committee had borrowed additional funds in July under conditions similar to the first loan.

The Respondent has no direct knowledge of this transaction.

The Respondent did not personally participate in the alleged violation and respectfully requests that the Commission take no further action on this matter against him.

3304057427 3

Coffield Ungaretti Harris & Slavin
3500 Three First National Plaza, Chicago, Illinois 60602
Telephone 312/977-4400, Cable: CUHSLAW, Telex: 270286

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October 31, 1984

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VIA EXPRESS MAIL

Federal Election Commission
Washington, D.C. 20463

Att: Jonathan Levin MUR 1738

Dear Mr. Levin:

Enclosed is a Statement of Designation of Counsel for the CANPAC Federal Campaign Committee of the Illinois Public Action Counsel ("CANPAC") regarding MUR 1738. As we discussed, I will make every effort to provide you with additional information regarding CANPAC's position in this matter by Friday, November 2, 1984.

Sincerely,

John Christy

John W. Christy

JWC:vw

Enclosure

8 3 0 4 0 5 7 4 2 7 4

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1738

NAME OF COUNSEL: John Christy

ADDRESS: Coffield Ungaretti Harris & Slavin
3500 Three First National Plaza
Chicago, Illinois 60602

TELEPHONE: (312) 977-4476

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.

7/26/84
Date

Signature

RESPONDENT'S NAME: J. Robert Kettlewell, Treasurer

ADDRESS: CANPAC Federal Campaign Committee of the Illinois Public Action Council
59 East Van Buren, Suite 1210
Chicago, Illinois 60605

HOME PHONE:

BUSINESS PHONE: (312) 427-6262

9340574275

Coffield Ungaretti Harris & Slavin
3500 Three First National Plaza, Chicago, Illinois 60602
Telephone 312/977-4400, Cable: CUHSLAW, Telex: 270286

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1738

November 2, 1984

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VIA FEDERAL EXPRESS

Mr. Jonathan Levin
Federal Election Commission
Washington, D.C. 20463

Re: MUR 173

Dear Mr. Levin:

Enclosed herewith is the Affidavit of Robert Creamer ("Affidavit"), Executive Director of the Illinois Public Action Council, the connected organization of the Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council ("CANPAC"), regarding the Federal Election Commission's ("FEC") inquiry into whether CANPAC is a multicandidate committee.

On behalf of CANPAC, we respectfully request that CANPAC's status as a multicandidate committee as of February 9, 1983 (six months after the formation of CANPAC on August 9, 1982) be recognized by the FEC based upon the following factors:

(1) as noted in the Affidavit, by October 1, 1982, CANPAC had received contributions for Federal elections from more than fifty persons;

(2) the Form 3-X attached to the Affidavit indicates that CANPAC made contributions to more than five candidates for Federal office during 1982; and

(3) as of February 9, 1983, CANPAC had been registered with the FEC for at least six months.

In addition, we respectfully request that the FEC find that, operating as a multicandidate committee, CANPAC lawfully made a contribution of $4,500.00 to the Charles

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Hayes for Congress Committee on June 6, 1983 pursuant to FEC Regulation §§ 110.1 and 110.2.

Respectfully submitted,

John Christy

John W. Christy

JWC:vw

Enclosures

8304574277

AFFIDAVIT OF ROBERT CREAMER

ROBERT CREAMER, being first duly sworn upon his oath, states as follows:

This affidavit concerns certain questions raised by the Federal Election Commission ("FEC") in connection with the multicandidate committee status of the Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council ("CANPAC").

As Executive Director of the Illinois Public Action Council ("IPAC"), the connected organization of CANPAC, I participated personally in CANPAC solicitation efforts during the months of August and September, 1982 in an effort to ensure that CANPAC could meet that portion of FEC Regulation § 100.5 (e)(3) regarding the receipt of contributions for Federal elections from more than 50 persons. In addition to the three contributors listed on CANPAC's FEC Form 3-X dated November 3, 1982 (a copy of which is enclosed), CANPAC received contributions from 49 other individuals, ranging in amounts from $1.00 to $37.50 during the months of August and September of 1982. These unitemized contributions were made or deposited into CANPAC's bank account on the following dates, in the amounts and by the number of contributors as indicated:

Date	Number of New Contributors	Aggregate Amount Contributed
August 23	13	$13.00
August 24	10	$10.00

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Date	Number of New Contributors	Aggregate Amount Contributed
August 31	20	$20.00
September 1	1	$25.00
September 6	1	$25.00
September 7	1	$37.50
September 22	2	$50.00
September 28	1	$25.00

ROBERT CREAMER

SUBSCRIBED AND SWORN to before me this 2nd day of November, 1984.

NOTARY PUBLIC

My Commission Expires Aug. 21, 1988

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REPORT OF RECEIPTS AND DISBURSEMENTS
For a Political Committee Other Than an Authorized Committee

(Summary Page)

1. Name of Committee (in Full)
CITIZEN ACTION NON-PARTISAN POLITICAL ACTION-FEDERAL CAMPAIGN COMMITTEE OF ILLINOIS PUBLIC ACTION COUNCIL

Address (Number and Street)
54 E. VANBUREN 1210

City, State and ZIP Code
CHICAGO, IL 60605

☐ Check if address is different than previously reported.

2. FEC Identification Number
C 00160655

3. ☐ This committee qualified as a multicandidate committee during this Reporting Period on 8/9/82 (date)

4. TYPE OF REPORT (check appropriate boxes)

(a)
- ☐ April 15 Quarterly Report
- ☐ July 45 Quarterly Report
- ☐ October 15 Quarterly Report
- ☐ January 31 Year End Report
- ☐ July 31 Mid Year Report (Non-election Year Only)
- ☐ Monthly Report for _____
- ☑ Twelfth day report preceding General Election (Type of Election) election on Nov 2 in the State of ILLINOIS
- ☐ Thirtieth day report following the General Election on _____ in the State of _____
- ☐ Termination Report

(b) Is this Report an Amendment?
☐ YES ☐ NO

SUMMARY	Column A This Period	Column B Calendar Year-to-Date
5. Covering Period 8/9/82 Through 11/3/82		
6. (a) Cash on Hand January 1, 19 82		$ 0.00
(b) Cash on Hand at Beginning of Reporting Period	$ 0.00	
(c) Total Receipts (from Line 18)	$ 788.00	$ 788.00
(d) Subtotal (add lines 6(b) and 6(c) for Column A and lines 6(a) and 6(c) for Column B)	$ 788.00	$ 788.00
7. Total Disbursements (from Line 28)	$ 3513.71	$ 3513.71
8. Cash on Hand at Close of Reporting Period (subtract line 7 from 6(d))	$ (2725.71)	$ (2725.71)
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C or Schedule D)	$ 0.00	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D)	$ 0.00	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

DAVID SHERBIN
Type or Print Name of Treasurer

David Sherbin
SIGNATURE OF TREASURER

11-3-82
Date

For further information, contact:
Federal Election Commission
Toll Free 800-424-9530
Local 202-523-4068

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

FEC FORM 3X (3/80)

a 3 0 4 0 6 7 4 2 8 0

DETAILED SUMMARY PAGE
of Receipts and Disbursements
(Page 2, FEC FORM 3X)

Name of Committee (In Full)	Report Covering the Period:
CANPAC FEDERAL CAMPAIGN COMMITTEE OF ILL. PUBLIC ACTION COUNCIL	From: 8/9/82 To: 10/21/82

	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
I. RECEIPTS		
11. CONTRIBUTIONS (other than loans) FROM:		
(a) Individuals/Persons Other Than Political Committees	$ 538.00	$538.00
(Memo Entry Unitemized $ 513.00)		
(b) Political Party Committees	0.00	0.00
(c) Other Political Committees	250.00	250.00
(d) TOTAL CONTRIBUTIONS (other than loans) (add 11a, 11b and 11c)	788.00	788.00
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES	0.00	0.00
13. ALL LOANS RECEIVED	0.00	0.00
14. LOAN REPAYMENTS RECEIVED	0.00	0.00
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	0.00	0.00
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	0.00	0.00
17. OTHER RECEIPTS (Dividends, Interest, etc.)	0.00	0.00
18. TOTAL RECEIPTS (Add 11d, 12, 13, 14, 15, 16 and 17)	788.00	788.00
II. DISBURSEMENTS		
19. OPERATING EXPENDITURES	0.00	0.00
20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES	0.00	0.00
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	3513.71	3513.71
22. INDEPENDENT EXPENDITURES (Use Schedule E)	0.00	0.00
23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. §441a(d)) (Use Schedule F)	0.00	0.00
24. LOAN REPAYMENTS MADE	0.00	0.00
25. LOANS MADE	0.00	0.00
26. REFUNDS OF CONTRIBUTIONS TO:		
(a) Individuals/Persons Other Than Political Committees	0.00	0.00
(b) Political Party Committees	0.00	0.00
(c) Other Political Committees	0.00	0.00
(d) TOTAL CONTRIBUTION REFUNDS (add 26a, 26b and 26c)	0.00	0.00
27. OTHER DISBURSEMENTS	0.00	0.00
28. TOTAL DISBURSEMENTS (Add Lines 19, 20, 21, 22, 23, 24, 25, 26d and 27)	3513.71	3513.71
III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES		
29. TOTAL CONTRIBUTIONS (other than loans) from Line 11d	788.00	788.00
30. TOTAL CONTRIBUTION REFUNDS from Line 26d	0.00	0.00
31. NET CONTRIBUTIONS (other than loans) (subtract Line 30 from Line 29)	788.00	788.00
32. TOTAL OPERATING EXPENDITURES from Line 19	0.00	0.00
33. OFFSETS TO OPERATING EXPENDITURES from Line 15	0.00	0.00
34. NET OPERATING EXPENDITURES (subtract Line 33 from Line 32)	0.00	0.00

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SCHEDULE A

ITEMIZED RECEIPTS

Page 1 of 1 for
LINE NUMBER 11 a
(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)
CANPAC FEDERAL CAMPAIGN COMMITTEE OF ILLINOIS PUBLIC ACTION COUNCIL

A. Full Name, Mailing Address and ZIP Code CHRISTOPHER COHEN 666 W IRVING CHICAGO, IL 60613 Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Name of Employer CASSIDY, SCHADE AND GLOOR Occupation ATTORNEY Aggregate Year-to-Date–$ 275.00	Date (month, day, year) 8-18-82 8-31-82 10-7-82	Amount of Each Receipt this Period $ 75.00 100.00 100.00
B. 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
C. 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
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)			$ 275.00
TOTAL This Period (last page this line number only)			$ 275.00

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SCHEDULE A

ITEMIZED RECEIPTS

Page 1 of 1 for LINE NUMBER 11c
(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)
CANPAC FEDERAL CAMPAIGN COMMITTEE OF ILLINOIS PUBLIC ACTION COUNCIL

A. Full Name, Mailing Address and ZIP Code PAUL SIMON FOR CONGRESS P.O. BOX 3301 CARBONDALE, IL 62901 Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer N/A Occupation N/A Aggregate Year-to-Date—$ 150.00	Date (month, day, year) 9-3-82.	Amount of Each Receipt this Period $ 150.00
B. Full Name, Mailing Address and ZIP Code EUGENIA CHAPMAN FOR CONGRESS 34 N. MILWAUKEE AVE. WHEELING, IL 60090 Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Name of Employer N/A Occupation N/A Aggregate Year-to-Date—$ 100.00	Date (month, day, year) 8-20-82	Amount of Each Receipt This Period $ 100.00
C. 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
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)			$ 250.00
TOTAL This Period (last page this line number only)			$ 250.00

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Page 1 of 1 for
LINE NUMBER 21
(Use separate schedule(s) for each category of the Detailed Summary Page)

SCHEDULE B **ITEMIZED DISBURSEMENTS**

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)

CANPAC FEDERAL CAMPAIGN COMMITTEE OF ILLINOIS PUBLIC ACTION C

	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
A. Full Name, Mailing Address and ZIP Code Lane Evans for Congress 1516 37th St. Rock Island, IL 61201	Canvass time and use of printed materials Disbursement for: ☐ Primary ☒ General ☐ Other (specify):	7-1-82 11-3-82	$251.96
B. Full Name, Mailing Address and ZIP Code Carl SCHWERDTFeger for Congress 1126 Elizabeth-Scalles Mid Rd ELIZABETH, IL 61028	Canvass time and use of printed mats. Disbursement for: ☐ Primary ☒ General ☐ Other (specify):	7-1-82 11-3-82	$580.50
C. Full Name, Mailing Address and ZIP Code EUGENIA CHAPMAN for Congress 16. South Princeton Ct. Arlington HTS, IL 60005	Canvass time and use of printed materials Disbursement for: ☐ Primary ☒ General ☐ Other (specify):	7-1-82 11-3-82	$995.50
D. Full Name, Mailing Address and ZIP Code G. Douglas STEPHENS for Congress 3607 W SANDIA DR PEORIA, IL 61606	Canvass time and use of printed materials Disbursement for: ☐ Primary ☒ General ☐ Other (specify):	7-1-82 11-3-82	$408.75
E. Full Name, Mailing Address and ZIP Code RICHARD DURBIN for Congress 1525 South BATES SPRINGFIELD, IL 62704	Canvass time and use of printed materials Disbursement for: ☐ Primary ☒ General ☐ Other (specify):	7-1-82 11-3-82	$411.20
F. Full Name, Mailing Address and ZIP Code PAUL SIMON FOR CONGRESS RT 1 MAKANDA, IL 62958	Canvass time and use of printed materials Disbursement for: ☐ Primary ☒ General ☐ Other (specify)	7-1-82 11-3-82	$865.80
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)			$3513.71
TOTAL This Period (last page this line number only)			$3513.71

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ILLINOIS PUBLIC ACTION COUNCIL

PUBLIC ACTION

BOARD OF DIRECTORS
Alan Lubbe, Chair
Organizing Committee for Western Macoupin County
Jonathan Rothstein, Secretary Treasurer
Service Employees International Union Local 73
John Edwards, Vice Chair/
Social Service Agencies & Volunteers Community Action Program
Betty Certen, Vice Chair Rural
Citizen Federation of St. Clair County
Edward Grady, Vice Chair Communities
The Woodlawn Organization
Jim Wright, Vice Chair Labor
United Auto Workers Region 4
Larry Yerst, Vice Chair Small Citizens
Concerned Citizens for Better Government
Joe Ahearn,
Central Illinois Consumer Energy Council
Sitterene Bennett,
Community & Economic Development Assn of Cook County
Delores Butler,
Central Illinois Economic Development Corp
Norman Clearfield,
Jewel / CARE
Pat Cronin,
Amalgamated Cutting & Textile Workers Union Textile Division
Roy Davis,
International Association of Machinists District 55
Rev. Arthur Davis,
Vermilion County Citizens Action Committee
Mary De Los Santos,
Prison Neighbors Community Council
Virgil Denton,
United Auto Workers Region 4 Retirees
Tim Eaney,
Illinois Public Interest Research Group
Dorothy Edwards,
Southeast Community Organization of Southeast Chicago
Conn Hickey,
Rockford Community Alliance
Jim Johnson,
United Auto Workers District 4
Don Markgral,
Rockford Area Labor Council
Dale Nass,
Autograph Sales Organization
Lucille Neubauer,
Seniors Organizing for Action
Chris Notary,
International Association of Machinists Lodge 2807
Toby Prinz,
Regional Transportation Commission
Gene Rawhoof,
Lake County Labor Council
Lee Rayson,
East District Central Committee
Bill Rowe,
Illinois Farm Organization
Libby Sayles,
Amalgamated Clothing & Textile Workers Union
Mamie Smith,
Illinois Organizing Seniors
Gene Vanderport,
Danville Labor Roundtable
Mary Volpe,
Northeast Austin Organization
Sig Walesa,
International Association of Machinists District 8
Charlie Williams,
International Association of Machinists
Harold Wright,
Belleville Trades & Labor Assembly

Illinois Public Action Council offices:
59 E. Van Buren, Chicago 60605
(312)427-6262
124 N. Neil, Champaign 61820
(217)356-1604
1058 E. Vandalia, Edwardsville 62025
(618)656-8920
210 W. State, Rockford 61101
(815)965-9663

Consumer Service Organization
220 S. State St., Chicago 60604
(312)922-0213

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93040717285

APPENDIX for FEC REPORT.

Illinois Public Council, parent organization of CANPAC Federal Campaign Committee of Illinois Public Action Council, conducts year round canvassing door-to-door throughout the state. This canvass is used to recruit supporters, members and contributers to the Illinois Public Action Council. During the reporting period canvassers also communicated the endorsements of CANPAC Federal Campaign Committee to those members, supporters and contributers of Illinois Public Action Council. They also recruited volunteers and identified voter preferences for CANPAC.

On some occasions canvassers also communicated endorsements to individuals who were not members, supporters or contributers to IPAC (over 75% of those contacted by the canvass become members, or contributers or sign statements of support for the organization.)

The expenditures include the portion of salaries paid to canvassers during which they engaged in communication regarding endorsements and candidates for election. 14% of canvass salaries were alloted to communication with members, supporters and contributers, and 1% for communication with those who were not members, supporters or contributers. These percentage allocations were made only in situations where canvassers were engaged in electoral activity. Costs of materials used in communication of endorsements were also allocated by candidate.

file

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 28, 1984

John W. Christy, Esquire
Coffield, Ungaretti, Harris
& Slavin
3500 Three First National Plaza
Chicago, Illinois 60602

Re: MUR 1738

Dear Mr. Christy:

On July 10, 1984, the Commission found reason to believe that your client, the Campaign Committee of the Illinois Public Action Council ("CANPAC"), had violated 2 U.S.C. § 441a(a)(1)(A) in connection with its contributions to the Hayes for Congress Committee. Subsequently, a notification letter and the General Counsel's Factual and Legal Analysis were sent to your client. This analysis alleged that CANPAC had not achieved multicandidate committee status at the time of the contributions in question, and, therefore, its contributions were excessive.

On November 2, 1984, you sent the Office of the General Counsel a letter along with an affidavit form Robert Creamer, CANPAC's Executive Director, asserting that CANPAC had enough contributors to claim multicandidate status under 2 U.S.C. § 441a(a)(4). A review of CANPAC's reports indicates, however, that CANPAC may not have made contributions to the requisite number of candidates to qualify for multicandidate status prior to the times it made contributions to the Hayes for Congress Committee.

It appears from the reports filed with the Commission that it would have been impossible for CANPAC to have funds sufficient to make the disbursements for the canvassing and use of printed materials for the various candidates it supported. Although no debts or obligations were listed on the first two reports filed by CANPAC, subsequent reports list debts owed to the connected organization which equal disbursements for candidates made during the reporting period. A strong inference may be drawn that the disbursements were actually made by the connected organization.

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Before the Commission can make a determination as to the multicandidate status of CANPAC, there should be an explanation of the source and nature of the disbursements listed on the reports covering the period from August 9, 1982 (when CANPAC began activity) until September 26, 1983, when the second contribution to the Hayes Committee was made. Enclosed are interrogatories concerning the issues at hand and a request for documents, addressed to CANPAC's treasurer. All statements by your client should be submitted under oath. All statements and materials should be submitted within ten days of your receipt of this letter.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at 202-523-4000.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

2940074287

TO: David Sherbin, Treasurer
Citizens Action Non-Partisan
Political Action Federal
Campaign Committee of the
Illinois Public Action Counsel ("CANPAC")
MUR 1738

INTERROGATORIES

1. State whether the political action committee or the connected organization made the original disbursements for the candidates listed on CANPAC reports filed for the period from August 9, 1982, to September 26, 1983.

2. Between August 9, 1982, and September 26, 1983, CANPAC disbursed money when its reports indicated a negative cash-on-hand figure. Explain how these disbursements were possible.

3. If disbursements referred to in the above questions were made as a result of loans or advances by other entities, state whether or not CANPAC subsequently repaid each such entity, when such repayments were made, and the amounts each entity received.

4. State whether the disbursements for the candidates made from August 9, 1982, to September 26, 1983, were contributions or independent expenditures.

If both types of disbursements were made, state the type of disbursement for each one listed on CANPAC's reports.

REQUEST FOR DOCUMENTS

Provide copies or evidence of all checks, agreements, and other documents pertaining to the disbursements and transactions addressed in the four questions above.

9804574288

SENSITIVE

RECEIVED
THE FEC
SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of)
)
Hayes for Congress) MUR 1738
Committee, et al.)

84 NOV 28 P 4:21

COMPREHENSIVE INVESTIGATIVE REPORT #2

This matter involves excessive contributions to the Hayes for Congress Committee ("the Hayes Committee") by various persons in the form of loan endorsements and by the Campaign Committee of the Illinois Public Action Council ("CANPAC") in the form of a direct contribution in violation of 2 U.S.C. § 441a. This matter also involves incorrect reporting by the Committee in violation of 2 U.S.C. § 434(b)(8). On July 10, 1984, the Commission found reason to believe that the endorsers violated 2 U.S.C. § 441a(a)(1)(A), that CANPAC and its treasurer violated 2 U.S.C. § 441a(a)(1)(A), and that the Hayes Committee and its treasurer violated 2 U.S.C. §§ 441a(f) and 434(b)(8). Responses have been received from all of the respondents.

The notification letter and General Counsel's Factual and Legal Analysis sent to CANPAC informed that committee that there was reason to believe that it had violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Hayes Committee. This was based on CANPAC's failure to achieve multicandidate status because of an apparent failure to receive contributions from 50 persons. On November 2, 1984, counsel for CANPAC submitted a letter along with an affidavit from CANPAC's

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Executive Director stating that the PAC had enough contributors to claim multicandidate status. (Almost all of the contributions were under $50 and, therefore, records of names were not kept).

A review by the Reports Analysis Division of CANPAC reports, however, indicates that CANPAC may not have made contributions to the requisite number of candidates to qualify for multicandidate status prior to the times it made contributions to the Hayes Committee. It appears from the reports filed with the Commission that it would have been impossible for CANPAC to have funds sufficient to make the disbursements for the various candidates it supported. A strong inference may be drawn from these reports that the disbursements were actually made by the connected organization.

This Office has sent a letter to CANPAC's counsel enclosing questions concerning these issues. Upon receipt of his response, this Office will further report to the Commission.

9330457420

Charles N. Steele
General Counsel

Nov. 28, 1980
Date

By: Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JODY C. RANSOM

DATE: NOVEMBER 30, 1984

SUBJECT: MUR 1738 - Comprehensive Investigative Report #2 signed November 28, 1984

The above-captioned matter was circulated to the Commission on a 24 hour no-objection basis at 11:00, November 29, 1984.

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

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Coffield Ungaretti Harris & Slavin
3500 Three First National Plaza, Chicago, Illinois 60602
Telephone 312/977-4400, Cable: CUHSLAW, Telex: 270286

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FEDERAL EXPRESS

December 13, 1984

Mr. Jonathan Levin
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1738

Dear Mr. Levin:

Enclosed herewith is a response to Interrogatories propounded by the Federal Election Commission regarding operations by the Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council ("CANPAC").

If you have any questions regarding these responses, please get in touch with me.

Sincerely,

John Christy

John W. Christy

JWC:at
Enclosure

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CANPAC'S ANSWERS TO THE FEDERAL ELECTION COMMISSION'S INTERROGATORIES

NOW COMES the Respondent, Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council ("CANPAC"), by and through its attorneys, COFFIELD UNGARETTI HARRIS & SLAVIN, and for its Answers to the FEDERAL ELECTION COMMISSION'S Interrogatories, states as follows:

1. State whether the political action committee or the connected organization made the original disbursements for the candidates listed on CANPAC reports filed for the period from August 9, 1982, to September 26, 1983.

ANSWER: With the exception of the contribution to the Charles Hayes For Congress Committee on June 21, 1983, which was made directly by CANPAC, the connected organization made the original disbursements for the candidates listed on CANPAC reports filed for the period from August 9, 1982, to September 26, 1983.

2. Between August 9, 1982, and September 26, 1983, CANPAC disbursed money when its reports indicated a negative cash-on-hand figure. Explain how these disbursements were possible.

ANSWER: These disbursements were made as a result of loans from the connected organization.

3. If disbursements referred to in the above questions were made as a result of loans or advances by other entities,

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state whether or not CANPAC subsequently repaid each such entity, when such repayments were made, and the amounts each entity received.

ANSWER: As of October 22, 1984, CANPAC was indebted to its connected organization, the Illinois Public Action Council ("IPAC"), in the amount of $20,370.05. As of December 12, 1984, CANPAC had repaid $1,524.46 of the amount owed to IPAC leaving a remaining balance of $18,845.59. Repayments in the following amounts were made on the following dates:

Amount Repaid	Date
$1,524.46	10/25/84

4. State whether the disbursements for the candidates made from August 9, 1982, to September 26, 1983, were contributions or independent expenditures. If both types of disbursements were made, state the type of disbursement for each one listed on CANPAC's reports.

ANSWER: All disbursements for the candidates made from August 9, 1982, to September 26, 1983, were contributions.

REQUEST FOR DOCUMENTS

Provide copies or evidence of all checks, agreements, and other documents pertaining to the disbursements and transactions addressed in the four questions above.

ANSWER: CANPAC has not been able to locate such docu-

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ments at this time, however CANPAC will continue its search.

STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)

Robert Kettlewell, being first duly sworn on oath, deposes and says that he is the Treasurer of CANPAC; that he has read the above and foregoing Answers to Interrogatories by him subscribed, and the same are true and correct.

Robert Kettlewell

SUBSCRIBED AND SWORN TO
before me this 13th day of
December, 1984.

NOTARY PUBLIC

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 11, 1985

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

ATTENTION: JONATHAN LEVIN

FROM: SHAWN WOODHEAD
SENIOR COMPLIANCE ANALYST
COMPLIANCE BRANCH, REPORTS ANALYSIS DIVISION

SUBJECT: MUR 1738: HAYES FOR CONGRESS COMMITTEE 1983

Please review the attached Request for Additional Information which is to be sent to the Hayes for Congress Committee 1983 for the 1984 October Quarterly Report. If no response or an inadequate response is received, a Second Notice will be sent.

Any comments which you may have should be forwarded to RAD by 3:00 p.m. on Tuesday, January 15, 1985. Thank you.

COMMENTS:

Attachment

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Lawrence Ragland, Treasurer
Hayes For Congress Committee 1983
4859 South Wabash Avenue
Chicago, IL 60615

Identification Number: C00167254

Reference: October Quarterly Report (7/1/84-9/30/84)

Dear Mr. Ragland:

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:

-Line 6(a), Column B, of the Summary Page should equal Line 11(e), Column B, of the Detailed Summary Page.

-Your report includes loans owed to Independence Bank of Chicago. Please clarify the current status of these loans and disclose the current terms and conditions if the loans were renegotiated. Note that an overdue bank loan may be considered a prohibited contribution by the bank or lending institution unless the current terms and conditions are disclosed with a repayment schedule. (11 CFR 100.7(b)(11))

An amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 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) 523-4048.

Sincerely,

Pat Sheppard

Pat Sheppard
Reports Analyst
Reports Analysis Division

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 8, 1985

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

ATTENTION: JONATHAN LEVIN

FROM: SHAWN WOODHEAD
SENIOR COMPLIANCE ANALYST
COMPLIANCE BRANCH, REPORTS ANALYSIS DIVISION

SUBJECT: MUR 1738: HAYES FOR CONGRESS COMMITTEE

Please review the attached Request for Additional Information which is to be sent to the Hayes for Congress Committee for the 1984 Year End Report. If no response or an inadequate response is received, a Second Notice will be sent.

Any comments which you may have should be forwarded to RAD by 2:00 p.m. on Wednesday, April 10, 1985. Thank you.

COMMENTS:

Attachment

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Lawrence Ragland, Treasurer
Hayes for Congress Committee
15525 South Park
South Holland, IL 60473

Identification Number: C00167254

Reference: Year-End Report (9/13/83-12/31/83)

Dear Mr. Ragland:

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:

-The beginning cash balance of this report should equal the ending balance of your Amended 30 Day Post-Runoff Report (dated 12/13/83). Please clarify this discrepancy and amend any subsequent report(s) which may be affected by this correction. This change will effect all subsequent report(s) filed.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 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) 523-4048.

Sincerely,

Pat Sheppard

Pat Sheppard
Reports Analyst
Reports Analysis Division

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RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Hayes for Congess Committee) MUR 1738
et al.)

85 JUN 27 AM : 16

GENERAL COUNSEL'S REPORT

SENSITIVE

Based on the assessment of the information presently available, the Office of the General Counsel is prepared to close the investigation in this matter as to Jolyn Robichaux, James L. Wright, Chatman Wailes, Ernest Bush, Robert Vaughn, Sid Ordower, Al Johnson, Edwin C. Berry, Howard Medley, Jacoby Dickens, and Addie Wyatt.

Jan 26, 1995
Date

Charles N. Steele
Charles N. Steele
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

85 JUL 8 P2:57

In the Matter of	)	
	)	
Hayes for Congress Committee	)	
Odell Hicks, as treasurer	)	
	)	
Illinois Public Action Council	)	MUR 1738
	)	
Citizens Action Non-Partisan Political Action Committee of the Illinois Public Action Council	)	
J. Robert Kettlewell, as treasurer	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter involves an allegation that the Illinois Public Action Council ("the Council"), an incorporated entity, and the Citizens Action Non-Partisan Political Action Committee of the Illinois Public Action Council ("CANPAC") and J. Robert Kettlewell, as CANPAC's treasurer, violated 2 U.S.C. § 441b(a) by making or participating in the making of a corporate contribution to the Hayes for Congress Committee, ("the Hayes Committee"), the principal campaign committee of Charles Hayes for election to the House of Representatives in the 1983 special election.

The Hayes Committee's 1983 Year End Report disclosed a $3,500 contribution for the general election listed as being received from CANPAC on September 27, 1983. Based on this information and information pertaining to a $4,500 contribution by CANPAC to the Hayes Committee during the primary, the Commission, on July 10, 1984, found reason to believe that CANPAC

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and David Sherbin, as its treasurer, violated 2 U.S.C. § 44la(a)(l)(A)[1/] and that the Hayes for Congress Committee and Odell Hicks, as treasurer, violated 2 U.S.C. § 44la(f).

In response to the reason to believe finding, CANPAC asserted that it was a multicandidate committee. In order to prove this, it enclosed an affidavit disclosing that, between August and October, 1982, it received contributions from fifty persons, thereby satisfying the contributor criterion of 2 U.S.C. § 44la(a)(4), the section defining "multicandidate political committee." A further review of CANPAC's reports, however, raised the question of whether CANPAC had, in fact, satisfied one of the other criteria, i.e., contributions to five candidates. Interrogatories were sent to CANPAC with respect to this issue. CANPAC's response indicated that its connected organization, the Council, made all but one of the disbursements to candidates listed on CANPAC's reports. The only contribution made by CANPAC itself was the June, 1983, contribution to the Hayes Committee.

II. LEGAL ANALYSIS

Section 44lb(a) of Title 2 prohibits the making or knowing receipt or acceptance of contributions by corporations in connection with a federal election. In this matter,based upon

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[1/] On May 2, 1985, CANPAC amended its statement of organization to designate Mr. Kettlewell as its treasurer.

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the response of CANPAC, it appears that the funds received by the Hayes Committee on September 27, 1983, were funds from the Council, i.e., corporate funds. It is also apparent that CANPAC, by virtue of having made an arrangement whereby corporate funds were advanced by the Council for a contribution, participated in the making of a corporate contribution to the Hayes for Congress Committee.2/ Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe that the Council, and CANPAC and J. Robert Kettlewell, as treasurer, and the Hayes Committee and Odell Hicks, as treasurer, violated 2 U.S.C §441b(a).

III. RECOMMENDATIONS

1. Find reason to believe that the Illinois Public Action Council violated 2 U.S.C. § 441b(a).

2. Find reason to believe that the Citizens Action Non-Partisan Political Action Committee of the Illinois Public Action Council and J. Robert Kettlewell, as its treasurer, violated 2 U.S.C. § 441b(a).

3. Find reason to believe that the Hayes for Congress Committee and Odell Hicks, as treasurer, violated 2 U.S.C. § 441b(a).

2/ It is difficult to determine from CANPAC's reports when, if ever, CANPAC made reimbursements to the Council of this specific contribution .

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4. Approve the attached letters with the General Counsel's Factual and Legal Analyses.

Charles N. Steele
General Counsel

July 5, 1985
Date

BY: Kenneth A. Gross (RHF)
Kenneth A. Gross
Associate General Counsel

Attachments
1. Letter to the Council with Factual and Legal Analysis
2. Letter to CANPAC with Factual and Legal Analysis
3. Letter to the Hayes Committee with Factual and Legal Analysis

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RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 5, 1985

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

SUBJECT: MUR 1738

Attached for the Commission's review are briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. Copies of these briefs and letters notifying the respondents of the General Counsel's intent to recommend to the Commission findings of probable cause to believe were mailed on July 5 , 1985. Following receipt of the repondents' replies to these notices, this Office will make a further report to the Commission.

Attachments
1. Briefs and letters to repondents (11)

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JODY C. RANSOM

DATE: JULY 11, 1985

SUBJECT: OBJECTIONS - MUR 1738 General Counsel's Report signed July 5, 1985

The above-named document was circulated to the Commission on Tuesday, July 9, 1985 at 11:00.

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

Commissioner Aikens	X
Commissioner Elliott	X
Commissioner Harris	
Commissioner McDonald	
Commissioner McGarry	
Commissioner Reiche	

This matter will be placed on the Executive Session agenda for Tuesday, July 16, 1985.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Hayes for Congress Committee Odell Hicks, as treasurer	)	
	)	
Illinois Public Action Council	)	MUR 1738
	)	
Citizens Action Non-Partisan Political Action Committee of the Illinois Public Action Council J. Robert Kettlewell, as treasurer	)	

CERTIFICATION

I, Mary W. Dove, recording secretary for the Federal Election Commission meeting on July 16, 1985, do hereby certify that the Commisson decided by a vote of 6-0 to take the following actions in MUR 1738:

1. Find reason to believe that the Illinois Public Action Council violated 2 U.S.C. § 441b(a).

2. Find reason to believe that the Citizens Action Non-Partisan Political Action Committee of the Illinois Public Action Council and J. Robert Kettlewell, as treasurer, violated 2 U.S.C. § 441b(a).

3. Take no action on Recommendation #3 of the General Counsel's Report dated July 5, 1985.

4. Approve the modified letters with the General Counsel's Factual and Legal Analyses attached to the General Counsel's Report dated July 5, 1985.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for this decision.

Attest:

7-17-85
Date

Mary W. Dove
Mary W. Dove
Recording Secretary

8304043307

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 29 1985

John W. Christy, Esquire
Coffield, Ungaretti, Harris & Slavin
3500 Three First National Plaza
Chicago, Illinois 60602

RE: MUR 1738
Citizens Action Non-Partisan Political Action Committee of the Illinois Public Action Council ("CANPAC")
J. Robert Kettlewell, as treasurer

Dear Mr. Christy:

On July 16, 1985, the Federal Election Commission determined that there is reason to believe that CANPAC 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 within fifteen days of your receipt of this letter. Statements should be submitted under oath.

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.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either

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proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Cousnel is not authorized to give extensions beyond 20 days.

If you intend 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.

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 Jonathan Levin, the attorney assigned to this matter, at (202) 523-4000.

Sincerely,

John Warren McGarry

John W. McGarry
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1738
STAFF MEMBER & TEL. NO.
Jonathan Levin
(202)523-4000

RESPONDENT: Citizens Action Non-Partisan Political Action Committee of the Illinois Public Action Council
J. Robert Kettlewell, as treasurer

SUMMARY OF ALLEGATIONS

This matter involves an allegation that the Citizens Action Non-Partisan Political Action Committee of the Illinois Public Action Council ("CANPAC") and J. Robert Kettlewell, as CANPAC's treasurer, violated 2 U.S.C. § 441b(a) by participating in the making of a corporate contribution to the Hayes for Congress Committee, ("the Hayes Committee"), the principal campaign committee of Charles Hayes for election to the House of Representatives.

FACTUAL BASIS AND LEGAL ANALYSIS

The Hayes Committee's 1983 Year End Report disclosed a $3,500 contribution for the general election listed as being received from CANPAC on September 27, 1983. Based on this information and information pertaining to a $4,500 contribution by CANPAC to the Hayes Committee during the primary, the Commission, on July 10, 1984, found reason to believe that CANPAC and David Sherbin, as its treasurer, violated 2 U.S.C. § 441a(a)(1)(A).1/

1/ On May 2, 1985, CANPAC amended its Statement of Organization to designate Mr. Kettlewell, as its treasurer.

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In response to the reason to believe finding, CANPAC asserted that it was a multicandidate committee. In order to prove this, it enclosed an affidavit disclosing that, between August and October, 1982, it received contributions from fifty persons, thereby satisfying the contributor criterion of 2 U.S.C. § 441a(a)(4), the section defining "multicandidate political committee." A further review of CANPAC's reports, however, raised the question whether CANPAC had, in fact, satisfied one of the other criteria, i.e., contributions to five candidates. Interrogatories were sent to CANPAC with respect to this issue. CANPAC's response indicated that its connected organization, the Council, made all but one of the disbursements to candidates listed on CANPAC's reports. The only contribution made by CANPAC itself was the June, 1983, contribution to the Hayes Committee.

Section 441b(a) of Title 2 prohibits the making of contributions by corporations in connection with a federal election. In this matter, based upon the response of CANPAC, it appears that the funds going to the Hayes Committee on September 27, 1983, were funds from the Council, i.e., corporate funds. It is also apparent that CANPAC, by virtue of having made an arrangement whereby corporate funds were advanced by the Council as contributions, participated in the making of a corporate contribution to the Hayes for Congress Committee.[2/] Based on the

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[2/] It is difficult to determine from CANPAC reports when if ever, CANPAC made reimbursement to the Council of this specific contribution.

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foregoing analysis, the Office of the General Counsel recommends that the Commission find reason to believe CANPAC violated 2 U.S.C. § 441b(a).

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DESCRIPTION OF PRELIMINARY PROCEDURES FOR PROCESSING POSSIBLE VIOLATIONS DISCOVERED BY THE FEDERAL ELECTION COMMISSION

Possible violations discovered during the normal course of the Commission's supervisory responsibilities shall be referred to the Enforcement Division of the Office of General Counsel where they are assigned a MUR (Matter Under Review) number, and assigned to a staff member.

Following review of the information which generated the MUR, a recommendation on how to proceed on the matter, which shall include preliminary legal and factual analysis, and any information compiled from materials available to the Commission shall be submitted to the Commission. This initial report shall recommend either: (a) that the Commission find reason to believe that a possible violation of the Federal Election Campaign Act (FECA) may have occurred or is about to occur and that the Commission conduct an investigation of the matter; or (b) that the Commission find no reason to believe that a possible violation of the FECA has occurred and that the Commission close the file on the matter.

Thereafter, if the Commission decides by an affirmative vote of four (4) Commissioners that there is reason to believe that a violation of the Federal Election Campaign Act (FECA) has been committed or is about to be committed, the Office of the General Counsel shall open an investigation into the matter. Upon notification of the Commission's finding(s), within 15 days a respondent(s) may submit any factual or legal materials relevant to the allegations. During the investigation, the Commission shall have the power to subpoena documents, to subpoena individuals to appear for depositions, and to order answers to interrogatories. The respondent(s) may be contacted more than once by the Commission in its investigation.

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If, during this period of investigation, the respondent(s) indicate a desire to enter into conciliation, the Office of General Counsel staff may begin the conciliation process prior to a finding of probable cause to believe a violation has been committed. Conciliation is an informal method of conference and persuasion to endeavor to correct or prevent a violation of the Federal Election Campaign Act (FECA). Most often, the result of conciliation is an agreement signed by the Commission and the respondent(s). The Conciliation Agreement must be adopted by four votes of the Commission before it becomes final. After signature by the Commission and the respondent(s), the Commission shall make public the Conciliation Agreement.

[If the investigation warrants], and no conciliation agreement is entered into prior to a probable cause to believe finding, the General Counsel must notify the respondent(s) of his intent to proceed to a vote on probable cause to believe that a violation of the Federal Election Campaign Act (FECA) has been committed or is about to be committed. Included with the notification to the respondent(s) shall be a brief setting forth the position of the General Counsel on the legal and factual issues of the case. Within 15 days of receipt of such brief, the respondent(s) may submit a brief posing the position of respondent(s) and replying to the brief of the General Counsel. Both briefs will then be filed with the Commission Secretary and will be considered by the Commission. Thereafter, if the Commission determines by an affirmative vote of four (4) Commissioners, that there is probable cause to believe that a violation of the FECA has been committed or is about to be committed conciliation must be undertaken for a period of at least 30 days but not more than 90 days. If the Commission is unable to correct or prevent any violation of the FECA through conciliation the Office of General Counsel may recommend that the Commission file a civil suit against the respondent(s) to enforce the Federal Election Campaign Act (FECA). Thereafter, the Commission may, upon an affirmative vote of four (4) Commissioners, institute civil action for relief in the District Court of the United States.

See 2 U.S.C. § 437g, 11 C.F.R. Part 111.

November 1980

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STATEMENT OF DESIGNATION OF COUNSEL

MUR _____

NAME OF COUNSEL: _____

ADDRESS: _____

_____

_____

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.

_____ _____

Date Signature

RESPONDENT'S NAME: _____

ADDRESS: _____

_____

_____

HOME PHONE: _____

BUSINESS PHONE: _____

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 29 1985

Robert Creamer
Illinois Public Action Council
59 East Van Buren
Suite 1210
Chicago, Illinois 60605

RE: MUR 1738
Illinois Public Action Council

Dear Mr. Creamer:

On July 16 , 1985, the Federal Election Commission determined that there is reason to believe that the Illinois Public Action Council ("the Council") 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 the Council. 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 fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against the Council, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further,

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requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Cousnel is not authorized to give extensions beyond 20 days.

If you intend 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.

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 Jonathan Levin, the attorney assigned to this matter, at (202) 523-4000.

Sincerely,

John Warren McGarry

John W. McGarry
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

2940674317

Coffield Ungaretti Harris & Slavin
3500 Three First National Plaza, Chicago, Illinois 60602
Telephone 312/977-4400, Cable: CUHSLAW, Telex: 270286

RECEIVED AT THE FEC
GCC#8358
85 AUG 22 A8:58

August 16, 1985

85 AUG 22 A10:12
RECEIVED
GENERAL COUNSEL

FEDERAL EXPRESS

Mr. Jonathan Levin
Federal Election Commission
Washington, D. C. 20463

Re: MUR 1738

Dear Mr. Levin:

Enclosed herewith is an Affidavit of Robert Creamer, Executive Director of the Illinois Public Action Council, the connected organization of the Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council, in response to the Federal Election Commission General Counsel's Factual and Legal Analysis dealing with MUR 1738, along with an executed Statement of Designation of Counsel.

Please stamp the duplicate copy of this letter to verify your receipt of the enclosed material and then return it to the undersigned in the enclosed self-addressed stamped envelope.

Sincerely,

John Christy

John W. Christy

JWC:pam
Enclosures
cc: Robert Creamer
Joseph A. Cari (w/encs.)

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AFFIDAVIT OF ROBERT CREAMER

ROBERT CREAMER, being first duly sworn upon his oath, states as follows:

This Affidavit concerns certain questions raised by the Federal Election Commission ("FEC") in connection with the assertion by the Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council ("CANPAC"), that CANPAC was a multicandidate committee pursuant to 2 U.S.C. §441a(a)(4) prior to the time that CANPAC made a $4,500.00 contribution to the Charles Hayes for Congress Committee (the "Hayes Committee") in June of 1983.

The General Counsel's Factual and Legal Analysis for MUR 1738 alleges that CANPAC was not a multi-candidate committee when it made the June, 1983 contribution to the Hayes Committee because CANPAC had not made prior contributions to at least five other candidates for federal office.

As is disclosed on CANPAC's FEC Form 3X dated November 3, 1982, CANPAC had made contributions to six other candidates for federal office prior to the time that it made the contribution in question to the Hayes Committee. The following chart indicates the committees to which those contributions were made, the dates on which the contributions were made and the amount of such contributions:

Candidate Committee	Date of Contribution	Amount of Contribution
Lane Evans for Congress	7/1/82-11/3/82	$251.96
Carl Schwerdtfeger for Congress	7/1/82-11/3/82	$580.50
Eugenia Chapman for Congress	7/1/82-11/3/82	$995.50
G. Douglas Stephens for Congress	7/1/82-11/3/82	$408.75
Richard Durbin for Congress	7/1/82-11/3/82	$411.20
Paul Simon for Congress	7/1/82-11/3/82	$865.80

CANPAC made these contributions in the following manner. CANPAC's connected organization, the Illinois Public Action Council (the "Council") operates a door-to-door canvass to recruit new members in five cities in the state of Illinois every evening. The Council's canvassers operate year in and year out. During periods that are near federal elections, the Council adds certain tasks to the canvassers' normal duties. In addition to the canvassers' job of recruiting new Council members, renewing memberships and raising additional contributions, the canvassers are asked to inform Council members of the endorsements made by the Council's political committee. In addition, canvassers distribute partisan literature to both members of the Council and others who do not become members.

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The Council canvassers are not paid any additional remuneration for the conduct of these additional duties. Nevertheless, the Council calculates the portion of its outlay to support the canvassers which the Council estimates to be involved in contacting non-members. This amount is then billed to CANPAC and is recognized as an account receivable from CANPAC to the Council to be paid out of funds donated explicitly for that purpose to CANPAC. CANPAC then reports these as campaign contributions. The contributions listed above for the six candidates represents an estimate of canvasser time involved in contacting nonmembers of the Council with regard to each of the candidates from July 1, 1982 through November 3, 1982.

At the time the expenditures for non-member contacts were made, an obligation of an equal amount was immediately recognized by CANPAC to the Council. In other words, from an accounting point of view, the Council made no expenditure whatsoever. In effect, CANPAC contracted with the Council to engage in the activities which under the law must qualify as campaign contributions. The Council extended credit to CANPAC, but CANPAC had a contractual obligation to pay for the services it had purchased and, as a consequence was responsible for the expenditures in question. Since October, 1984, CANPAC has repaid the Council $3,499.46 in amounts owed pursuant to this practice. Currently, CANPAC owes the Council $16,870.59 and it is expected that the

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full amount of this loan to CANPAC will be repaid by December 31, 1985.

Robert Creamer

SUBSCRIBED AND SWORN to
before me this 16th day
of August, 1985.

Sylvia Anne Smith
Notary Public

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 1738

NAME OF COUNSEL: Coffield Ungaretti Harris & Slavin
Attention: Joseph A. Cari or
John W. Christy

ADDRESS: 3500 Three First National Plaza

Chicago, Illinois 60611

TELEPHONE: (312) 977-4400

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.

8/16/85
Date

Signature

RESPONDENT'S NAME: CANPAC

ADDRESS: Attention: J. Robert Kettlewell

220 South State Street, Suite 714

Chicago, Illinois 60604

HOME PHONE:

BUSINESS PHONE: (312) 427-6262

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1985

Jolyn H. Robichaux
8455 South Michigan
Chicago, Illinois 60619

Re: MUR 1738
Jolyn Robichaux

Dear Mrs. Robichaux:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 10, 1984, found reason to believe that you had violated 2 U.S.C. § 441a(a)(1)(A) and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

This correspondence is being sent to you, rather than your previous counsel, because we have been informed that previous counsel is employed presently by a govermental agency and is no longer representing you.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

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Should you have any questions, please contact Jonathan Levin, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

8930743325

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1738
Jolyn Robichaux)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter involves an allegation that Jolyn Robichaux was an endorser on a $25,000 loan to the Hayes for Congress Committee ("the Hayes Committee") from the Independence National Bank in violation of 2 U.S.C. § 441a(a)(1)(A). This matter also involves an allegation concerning a reported $1,000 contribution by Ms. Robichaux to the Hayes Committee's primary effort.

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a $25,000 loan from the Independence National Bank. The report listed seven endorsers, including the candidate. The loan was subsequently designated by the Committee as being for the primary on the Hayes Committee's amended 12 Day Pre-Special General and 30 Day Post Special General Reports filed on December 13, 1983.

The Hayes Committee's 12 Day Pre-Special General Report also disclosed an additional $1,000 from Ms. Robichaux for the primary. The Hayes Committee's amended 30 Day Post Special General Report disclosed a $2,000 refund to her. The Committee has not adequately responded to the request by the Reports Analysis Division of the Commission for clarification of this refund.

On July 10, 1984, the Commission found reason to believe that Ms. Robichaux violated 2 U.S.C. § 441a(a)(1)(A).

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On August 13, 1984, the Office of the General Counsel received a reply from counsel for Ms. Robichaux. With respect to the endorsement, counsel states a number of reasons for her assertion that no further action should be taken against Ms. Robichaux. She states that Ms. Robichaux was "unaware at the time the endorsements were made" that the endorsement could be considered a contribution and expected that "the loan obligation would be paid in full from legitimate contributions," an expectation which was fulfilled. She also states that, because the obligation was repaid fully, "there is currently no violation," and "the violation was a technical and transitory one." Finally, counsel argues that "the Commission should take into account the fact that one of the endorsers was the candidate who legally could have contributed more than $1,000 of his own funds, and therefore could legally bear a share of the 'contribution' attributed by the Commission to the non-candidate endorsers large enough to place them within the $1,000 limit."

Counsel also addresses the issue of the reported $1,000 contribution. Counsel explains that the $2,000 refund occurred after a $3,000 contribution by Ms. Robichaux. She states that the Committee refunded the contribution when "Committee representatives realized" that an excessive contribution had been received.

II. LEGAL ANALYSIS

Section 441a(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his

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committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. Although, according to § 431(8)(B)(vii), a loan by a bank made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors." See also 11 C.F.R. § 100.7(a)(1)(C). As one of seven endorsers of the $25,000 loan, Ms. Robichaux is considered to have endorsed $3,571 of the loan. This endorsement was in excess of the § 441a(a)(1)(A) limitation by $2,571.

In this matter, counsel has asserted that, because the loans were repaid fully, "there is currently no violation." This defense ignores the fact that a loan was made, that there were endorsements, and that the loan remained outstanding for four and one-half months. Because of the size of the endorsements, there was an excessive contribution during the time the loan was unpaid.

The defense that the candidate himself could have borne a greater share of the repayment obligation to the extent that none of the other endorsers' obligation would exceed $1,000 does not address the allegations made. The candidate's ability to bear a repayment obligation is not at issue. The issue is the fact that Ms. Robichaux assumed an obligation in excess of the $1,000 limitation.

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The asserted lack of intent to violate the Act is also not at issue. The issue is the endorsement itself by Ms. Robichaux in an amount greater than $1,000.

With respect to Ms. Robichaux's direct contribution, counsel's reply indicates that the violation is greater than first perceived. It appears that the Committee accepted a $3,000 contribution from Ms. Robichaux, not a $1,000 contribution. According to the reports referred to above in the Statement of the Case, the Committee did not return the contribution until a month had elapsed.

Based on the foregoing analysis, the General Counsel recommends that the Commission find probable cause to believe that Jolyn Robichaux violated 2 U.S.C. § 441a(a)(1)(A).

III. RECOMMENDATION

1. Find probable cause to believe that Jolyn Robichaux violated 2 U.S.C. § 441a(a)(1)(A).

10/22/85
Date

Charles N. Steele
General Counsel

2340674329

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1985

Sid Ordower
30 West Washington
Suite 703
Chicago, Illinois 60602

Re: MUR 1738
Sid Ordower

Dear Mr. Ordower:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 10, 1984, found reason to believe that you had violated 2 U.S.C. § 441a(a)(1)(A) and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

This correspondence is being sent to you, rather than your previous counsel, because we have been informed that previous counsel is employed presently by a govermental agency and is no longer representing you.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

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Should you have any questions, please contact Jonathan Levin, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

89040574331

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1738
Sid Ordower	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter involves an allegation that Sid Ordower was an endorser on a $25,000 loan to the Hayes for Congress Committee ("the Hayes Committee") from the Independence National Bank in violation of 2 U.S.C. § 441a(a)(1)(A).

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a $25,000 loan from the Independence National Bank. The report listed seven endorsers, including the candidate. The loan was subsequently designated by the Hayes Committee as being for the primary on the Hayes Committee's amended 12 Day Pre-Special General and 30 Day Post-Special General Reports filed on December 13, 1983.

On July 10, 1984, the Commission found reason to believe that Mr. Ordower violated 2 U.S.C. § 441a(a)(1)(A). On August 13, 1984, the Office of the General Counsel received a reply from counsel for Mr. Ordower. Counsel states a number of reasons for her assertion that no further action should be taken against Mr. Ordower. She states that Mr. Ordower was "unaware at the time the endorsements were made" that the endorsement could be considered a contribution and expected that "the loan obligation would be paid in full from legitimate contirbutions," an

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expectation which was fulfilled. She also states that, because the obligation was repaid fully, "there is currently no violation," and "the violation was a technical and transitory one." Finally, counsel argues that "the Commission should take into account the fact that one of the endorsers was the candidate who legally could have contributed more than $1,000 of his own funds, and therefore could legally bear a share of the 'contribution' attributed by the Commission to the non-candidate endorsers large enough to place them within the $1,000 limit."

II. LEGAL ANALYSIS

Section 441a(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. Although, according to § 431(8)(B)(vii), a loan by a bank made in accordance with applicable law and in the oridinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors." See also 11 C.F.R. § 100.7(a)(1)(C). As one of seven endorsers of the $25,000 loan, Mr. Ordower is considered to have endorsed $3,571 of the loan. This endorsement was in excess of the § 441a(a)(1)(A) limitation by $2,571.

In this matter, counsel has asserted that, because the loan was repaid fully, "there is currently no violation." This

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defense ignores the fact that a loan was made, that there were endorsements, and that the loan remained outstanding for four and one-half months. Because of the size of the endorsement, there was an excessive contribution during the time the loan was unpaid.

The defense that the candidate himself could have borne a greater share of the repayment obligation to the extent that none of the other endorsers' obligation would exceed $1,000 does not address the allegations made. The candidate's ability to bear a repayment obligation is not at issue. The issue is the fact that Mr. Ordower assumed an obligation in excess of the $1,000 limitation.

The asserted lack of intent to violate the Act is also not at issue. The issue is the endorsement itself by Mr. Ordower in an amount greater than $1,000.

Based on the foregoing analysis, the General Counsel recommends that the Commission find probable cause to believe that Sid Ordower violated 2 U.S.C. § 441a(a)(1)(A).

III. RECOMMENDATION

1. Find probable cause to believe that Sid Ordower violated 2 U.S.C. § 441a(a)(1)(A).

10/22/85
Date

Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1985

Jacoby Dickens
645 E. 87th Street
Chicago, Illinois 60619

Re: MUR 1738
Jacoby Dickens

Dear Mr. Dickens:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 10, 1984, found reason to believe that you had violated 2 U.S.C. § 441a(a)(1)(A) and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

This correspondence is being sent to you, rather than your previous counsel, because we have been informed that previous counsel is employed presently by a governmental agency and is no longer representing you.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

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A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Jonathan Levin, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Jacoby Dickens) MUR 1738

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter involves an allegation that Jacoby Dickens was one of six individuals endorsing a $50,000 loan to the Hayes for Congress Committee ("the Hayes Committee").

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a total of $50,000 in loans from six individuals, including the candidate. The Hayes Committee's 30 Day Post Special General Report received on September 22, 1983, disclosed repayment of the $50,000 in loans plus $833 in interest on September 12, 1983, to the Independence National Bank. An amendment sent to the Commission by the Hayes Committee on November 16, 1983, stated that it had repaid the $50,000 in loans to the bank. This created some confusion in that the Hayes Committee had originally reported the $50,000 loan as being from individuals.

On December 13, 1983, the Committee filed amended 12 Day Pre-Special General and 30 Day Post Special General Reports designating the $50,000 total for the primary. A Schedule A (committee receipts) of the first report disclosed an individual contribution of $8,333 from Mr. Dickens. A Schedule B (committee disbursements) from the latter report disclosed a repayment of $8,333 to Mr. Dickens.

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On July 10, 1984, the Commission found reason to believe that Mr. Dickens violated 2 U.S.C. § 441a(a)(1)(A). On August 13, 1984, the Office of the General Counsel received a reply from counsel for Mr. Dickens.

Counsel clarified the circumstances of the loan by stating that the loan was from the bank and that Mr. Dickens was an endorser. Counsel states a number of reasons for her assertion that the Commission should take no further action against Mr. Dickens. She states that Mr. Dickens was "unaware at the time the endorsements were made" that the endorsement could be considered a contribution. She states that Mr. Dickens expected that "the loan obligation would be paid in full from legitimate contributions," and that most of the loan has indeed, been repaid from such funds and that the balance would be so repaid.1/ Counsel also states "that the Commission should take into account the fact that one of the endorsers was the candidate, who, as the Commission's analysis notes, can make unlimited contributions from personal funds, and therefore could legally bear a share of the 'contribution' attributed by the Commission to the non-candidate endorsers large enough to place them within the $1,000 limit."

1/It appears that counsel is unaware that the loan was repaid in full.

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II. LEGAL ANALYSIS

Section 441a(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. Although, according to § 431(8)(B)(vii), a loan by a bank made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. §431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors." See also 11 C.F.R. § 100.7(a)(1)(C). As one of six endorsers of the $50,000 loan, Mr. Dickens is considered to have endorsed $8,333 of the loan. This endorsement was in excess of the § 441a(a)(1)(A) limitation by $7,333.

In this matter, counsel has asserted that Mr. Dickens made the endorsement with the expectation that the loan obligation would be repaid fully from legitimate contributions and that the loan was being repaid in that manner. This defense ignores the fact that the loan remained unpaid for forty-eight days and, that, therefore, there was an excessive contribution.

The defense that the candidate himself could have borne a greater share of the repayment obligation to the extent that none of the other endorsers' obligation would exceed $1,000 does not address the allegations made. The candidate's ability to bear a repayment obligation is not at issue. The issue is the fact that the assumed an obligation in excess of the $1,000 limitation.

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The asserted lack of intent to violate the Act is also not at issue. The issue is the endorsement itself by Mr. Dickens in an amount greater than $1,000.

Based on the foregoing analysis, the General Counsel recommends that the Commission find probable cause to believe that Jacoby Dickens violated 2 U.S.C. § 441a(a)(1)(A).

III. RECOMMENDATION

1. Find probable cause to believe that Jacoby Dickens violated 2 U.S.C. § 441a(a)(1)(A).

10/22/85
Date

Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1985

Robert H. Vaughn
1169 S. Plymouth Court
Chicago, Illinois 60605

Re: MUR 1738
Robert Vaughn

Dear Mr. Vaughn:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 10, 1984, found reason to believe that you had violated 2 U.S.C. § 441a(a)(1)(A) and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

This correspondence is being sent to you, rather than your previous counsel, because we have been informed that previous counsel is employed presently by a govermental agency and is no longer representing you.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Jonathan Levin, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

2320457434 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1738
Robert Vaughn)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter involves an allegation that Robert Vaughn was an endorser on a $25,000 loan to the Hayes for Congress Committee ("the Hayes Committee") from the Independence National Bank in violation of 2 U.S.C. § 441a(a)(1)(A).

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a $25,000 loan from the Independence National Bank. The report listed seven endorsers, including the candidate. The loan was subsequently designated by the Hayes Committee as being for the primary on the Hayes Committee's amended 12 Day Pre-Special General and 30 Day Post-Special General reports filed on December 13, 1983.

On July 10, 1984, the Commission found reason to believe that Mr. Vaughn violated 2 U.S.C. § 441a(a)(1)(A). On August 13, 1984, the Office of the General Counsel received a reply from counsel for Mr. Vaughn. Counsel states a number of reasons for her assertion that no further action should be taken against Mr. Vaughn. She states that Mr. Vaughn was "unaware at the time the endorsements were made" that the endorsement could be considered

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a contribution and expected that "the loan obligation would be paid in full from legitimate contributions," an expectation which was fulfilled. She also states, that, because the obligation was repaid fully, "there is currently no violation," and "the violation was a technical and transitory one." Finally counsel argues "that the Commission should take into account the fact that one of the endorsers was the candidate who legally could have contributed more than $1,000 of his own funds, and therefore could legally bear a share of the 'contribution' attributed by the Commission to the non-candidate endorsers large enough to place them within the $1,000 limit."

II. LEGAL ANALYSIS

Section 441a(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. Although, according to § 431(8)(B)(vii), a loan by a bank made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors." See also 11 C.F.R. § 100.7(a)(1)(C). As one of seven endorsers of the $25,000 loan, Mr. Vaughn is considered to have endorsed $3,571 of the loan. This endorsement was in excess of the § 441a(a)(1)(A) limitation by $2,571.

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In this matter, counsel has asserted that, because the loan was repaid fully, "there is currently no violation." This defense ignores the fact that a loan was made, that there were endorsements, and that the loan remained outstanding for four and one-half months. Because of the size of Mr. Vaughn's endorsement, there was an excessive contribution during the time the loan was unpaid.

The defense that the candidate himself could have borne a greater share of the repayment obligation to the extent that none of the other endorsers' obligation would exceed $1,000 does not address the allegations made. The candidate's ability to bear a repayment obligation is not at issue. The issue is the fact that Mr. Vaughn assumed an obligation in excess of the $1,000 limitation.

The asserted lack of intent to violate the Act is also not at issue. The issue is the endorsement itself by Mr. Vaughn in an amount greater than $1,000.

Based on the foregoing analysis, the General Counsel recommends that the Commission find probable cause to believe that Mr. Vaughn violated 2 U.S.C. § 441a(a)(1)(A).

III. RECOMMENDATION

1. Find probable cause to believe that Robert Vaughn violated 2 U.S.C. § 441a(a)(1)(A).

10/22/85
Date

Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1985

Ernest Bush
8324 South Prairie Avenue
Chicago, Illinois 60619

Re: MUR 1738
Ernest Bush

Dear Mr. Bush:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 10, 1984, found reason to believe that you had violated 2 U.S.C. § 441a(a)(1)(A) and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

This correspondence is being sent to you, rather than your previous counsel, because we have been informed that previous counsel is employed presently by a govermental agency and is no longer representing you.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

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Should you have any questions, please contact Jonathan Levin, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele

Charles N. Steele
General Counsel

Enclosure
Brief

29074347

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1738
Ernest Bush	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter involves an allegation that Ernest Bush was an endorser on a $25,000 loan to the Hayes for Congress Committee ("the Hayes Committee") from the Independence National Bank in violation of 2 U.S.C. § 441a(a)(1)(A).

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a $25,000 loan from the Independence National Bank. The report listed seven endorsers, including the candidate. The loan was subsequently designated by the Hayes Committee as being for the primary on the Hayes Committee's amended 12 Day Pre-Special General and 30 Day Post-Special General Reports filed on December 13, 1983.

On July 10, 1984, the Commission found reason to believe that Mr. Bush violated 2 U.S.C. § 441a(a)(1)(A). On August 13, 1984, the Office of the General Counsel received a reply from counsel for Mr. Bush. Counsel states a number of reasons for her assertion that no further action should be taken against Mr. Bush. She states that Mr. Bush was "unaware at the time the endorsements were made" that the endorsement could be considered a contribution and expected that "the loan obligation would be paid in full from legitimate contributions," an expectation which was fulfilled. She also states that, because the obligation

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was repaid fully, "there is currently no violation," and "the violation was a technical and transitory one." Finally, counsel argues that "the Commission should take into account the fact that one of the endorsers was the candidate who legally could have contributed more than $1,000 of his own funds, and therefore could legally bear a share of the 'contribution' attributed by the Commission to the non-candidate endorsers large enough to place them within the $1,000 limit."

II. LEGAL ANALYSIS

Section 44la(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. Although, according to § 431(8)(B)(vii), a loan by a bank made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors." See also 11 C.F.R. § 100.7(a)(1)(C). As one of seven endorsers of the $25,000 loan, Mr. Bush is considered to have endorsed $3,571 of the loan. This endorsement was in excess of the § 44la(a)(1)(A) limitation by $2,571.

In this matter, counsel has asserted that, because the loans were repaid fully, "there is currently no violation." This defense ignores the fact that a loan was made, that there were

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endorsements, and that the loan remained outstanding for four and one-half months. Because of the size of the Mr. Bush's endorsement, there was an excessive contribution during the time the loan was unpaid.

The defense that the candidate himself could have borne a greater share of the repayment obligation to the extent that none of the other endorsers' obligation would exceed $1,000 does not address the allegations made. The candidate's ability to bear a repayment obligation is not at issue. The issue is the fact that Mr. Bush assumed an obligation in excess of the $1,000 limitation.

The asserted lack of intent to violate the Act is also not at issue. The issue is the endorsement itself by Mr. Bush in an amount greater than $1,000.

Based on the foregoing analysis, the General Counsel recommends that the Commission find proable cause to believe that Mr. Bush violated 2 U.S.C. § 441a(a)(1)(A).

III. RECOMMENDATION

1. Find probable cause to believe that Ernest Bush violated 2 U.S.C. § 441a(a)(1)(A).

10/22/85
Date

Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1985

Howard Medley
251 E. 95th Street
Chicago, Illinois 60619

Re: MUR 1738
Howard Medley

Dear Mr. Medley:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 10, 1984, found reason to believe that you had violated 2 U.S.C. § 441a(a)(1)(A) and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

This correspondence is being sent to you, rather than your previous counsel, because we have been informed that previous counsel is employed presently by a governmental agency and is no longer representing you.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

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A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Jonathan Levin, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

39074352

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1738
Howard Medley)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter involves an allegation that Howard Medley was one of six individuals endorsing a $50,000 loan to the Hayes for Congress Committee ("the Hayes Committee").

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a $50,000 in loans from six individuals, including the candidate. The Hayes Committee's 30 Day Post Special General Report received on September 22, 1983, dislcosed repayment of the $50,000 in loans plus $833 in interest on September 12, 1983, to the Independence National Bank. An amendment sent to the Commission by the Hayes Committee on November 16, 1983, stated that it had repaid the $50,000 in loans to the bank. This created some confusion in that the Hayes Committee had originally reported the $50,000 loan as being from individuals.

On December 13, 1983, the Committee filed amended 12 Pre-Special General and 30 Day Post Special General Reports designating the $50,000 total for the primary. A Schedule A (committee receipts) of the first report disclosed an individual contribution of $8,334 from Mr. Medley. A Schedule B (committee disbursements) from the latter report disclosed a repayment of $8,334 to Mr. Medley.

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On July 10, 1984, the Commission found reason to believe that Mr. Medley violated 2 U.S.C. § 441a(a)(1)(A). On August 13, 1984, the Office of the General Counsel received a reply from counsel for Mr. Medley.

Counsel clarified the circumstances of the loan by stating that the loan was from the bank and that Mr. Medley was an endorser. Counsel states a number of reasons for her assertion that the Commission should take no further action against Mr. Medley. She states that Mr. Medley was "unaware at the time the endorsements were made" that the endorsement could be considered a contribution. She states that Mr. Medley expected that "the loan obligation would be paid in full from legitimate contributions" and that most of the loan has indeed been repaid from such funds and that the balance would be so repaid.1/ Counsel also states "that the Commission should take into account the fact that one of the endorsers was the candidate, who, as the Commission's analysis notes, can make unlimited contributions from personal funds, and therefore could legally bear a share of the 'contribution' attributed by the Commission to the non-candidate endorsers large enough to place them within the $1,000 limit."

1/It appears that counsel is unaware that the loan was repaid in full.

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II. LEGAL ANALYSIS

Section 441a(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. Although, according to § 431(8)(B)(vii), a loan by a bank made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8))(B)(vii(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors." See also 11 C.F.R. § 100.7(a)(1)(C). As one of six endorsers of the $50,000 loan, Mr. Medley is considered to have endorsed $8,334 of the loan. This endorsement was in excess of the § 441a(a)(1)(A) limitation by $7,334.

In this matter, counsel has asserted that Mr. Medley made the endorsement with the expectation that the loan obligation would be repaid fully from the legitimate contributions and that the loan was being repaid in that manner. This defense ignores the fact that the loan remained unpaid for forty-eight days and, that, therefore, there was an excessive contribution.

The defense that the candidate himself could have borne a greater share of the repayment obligation to the extent that none of the other endorsers' obligation would exceed $1,000 does not

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address the allegations made. The candidate's ability to bear a repayment obligation is not at issue. The issue is the fact that Howard Medley assumed an obligation in excess of the $1,000 limitation.

The asserted lack of intent to violate the Act is also not at issue. The issue is the endorsement itself by Mr. Medley in an amount greater than $1,000.

Based on the foregoing analysis, the General Counsel recommends that the Commission find probable cause to believe that Howard Medley violated 2 U.S.C. § 441a(a)(1)(A).

III. RECOMMENDATION

1. Find probable cause to believe that Howard Medley violated 2 U.S.C. § 441a(a)(1)(A).

10/22/85
Date

Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1985

Addie L. Wyatt
8901 S. Chappel
Chicago, Illinois 60617

Re: MUR 1738
Addie Wyatt

Dear Ms. Wyatt:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 10, 1984, found reason to believe that you had violated 2 U.S.C. § 441a(a)(1)(A) and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

This correspondence is being sent to you, rather than your previous counsel, because we have been informed that previous counsel is employed presently by a governmental agency and is no longer representing you.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

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Should you have any questions, please contact Jonathan Levin, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

39040574358

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1738
Addie Wyatt	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter involves an allegation that Addie Wyatt was one of six individuals endorsing a $50,000 loan to the Hayes for Congress Committee ("the Hayes Committee").

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a $50,000 in loans from six individuals, including the candidate. The Hayes Committee's 30 Day Post Special General Report received on September 22, 1983, disclosed repayment of the $50,000 in loans plus $833 in interest on September 12, 1983, to the Independence National Bank. An amendment sent to the Commission by the Hayes Committee on November 16, 1983, stated that it had repaid the $50,000 in loans to the bank. This created some confusion in that the Hayes Committee has originally reported the $50,000 loan as being from individuals.

On December 13, 1983, the Committee filed amended 12 Pre-Special General and 30 Day Post Special General Reports designating the $50,000 total for the primary. A Schedule A (committee receipts) of the first report disclosed an individual contribution of $8,333 from Mrs. Wyatt. A Schedule B (committee disbursements) from the latter report disclosed a repayment of $8,333 to Mrd. Wyatt.

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On July 10, 1984, the Commission found reason to believe that Mrd. Wyatt violated 2 U.S.C. § 441a(a)(1)(A). On August 13, 1984, the Office of the General Counsel received a reply from counsel for Mrs. Wyatt.

Counsel clarified the circumstances of the loan by stating that the loan was from the bank and that Mrs. Wyatt was an endorser. Counsel states a number of reasons for her assertion that the Commission should take no further action against Mrs. Wyatt. She states that Mrs. Wyatt was "unaware at the time the endorsements were made" that the endorsement could be considered a contribution. She states that Mrs. Wyatt expected that "the loan obligation would be paid in full from legitimate contributions" and that most of the loan has indeed been repaid from such funds and that the balance would be so repaid.1/ Counsel also states "that the Commission should take into account the fact that one of the endorsers was the candidate, who, as the Commission's analysis notes, can make unlimited contributions from personal funds, and therefore could legally bear a share of the 'contribution' attributed by the Commission to the non-candidate endorsers large enough to place them within the $1,000 limit."

1/ It appears that counsel is unaware that the loan was repaid in full.

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II.LEGAL ANALYSIS

Section 44la(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. Although, according to § 431(8)(B)(vii), a loan by a bank made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8))(B)(vii(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors." See also 11 C.F.R. § 100.7(a)(1)(C). As one of six endorsers of the $50,000 loan, Mrs. Wyatt is considered to have endorsed $8,333 of the loan. This endorsement was in excess of the § 44la(a)(1)(A) limitation by $7,333.

In this matter, counsel has asserted that Mrs. Wyatt made the endorsement with the expectation that the loan obligation would be repaid fully from the legitimate contributions and that the loan was being repaid in that manner. This defense ignores the fact that the loan remained unpaid for forty-eight days and, that, therefore, there was an excessive contribution.

The defense that the candidate himself could have borne a greater share of the repayment obligation to the extent that none of the other endorsers' obligation would exceed $1,000 does not address the allegations made. The candidate's ability to bear a

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repayment obligation is not at issue. The issue is the fact that Addie Wyatt assumed an obligation in excess of the $1,000 limitation.

The asserted lack of intent to violate the Act is also not at issue. The issue is the endorsement itself by Mrs. Wyatt in an amount greater than $1,000.

Based on the foregoing analysis, the General Counsel recommends that the Commission find probable cause to believe that Addie Wyatt violated 2 U.S.C. § 441a(a)(1)(A).

III. RECOMMENDATION

1. Find probable cause to believe that Addie Wyatt violated 2 U.S.C. § 441a(a)(1)(A).

10/22/85
Date

Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1985

Chatman Wailes, Jr.
8540 South Marquette Avenue
Chicago, Illinois 60617

Re: MUR 1738
Chatman Wailes

Dear Mr. Wailes:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 10, 1984, found reason to believe that you had violated 2 U.S.C. § 441a(a)(1)(A) and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

This correspondence is being sent to you, rather than your previous counsel, because we have been informed that previous counsel is employed presently by a governmental agency and is no longer representing you.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not mroe than ninety, days to settle this matter through a conciliation agreement.

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Should you have any questions, please contact Jonathan Levin, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1738
Chatman Wailes)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter involves an allegation that Chatman Wailes was an endorser on a $25,000 loan to the Hayes for Congress Committee ("the Hayes Committee") from the Independence National Bank in violation of 2 U.S.C. § 441a(a)(1)(A).

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a $25,000 loan from the Independence National Bank. The report listed seven endorsers, including the candidate. The loan was subsequently designated by the Hayes Committee as being for the primary on the Hayes Committee's amended 12 Day Pre-Special General and 30 Day Post-Special General reports filed on December 13, 1983.

On July 10, 1984, the Commission found reason to believe that Mr. Wailes violated 2 U.S.C. § 441a(a)(1)(A). On August 13, 1984, the Office of the General Counsel received a reply from counsel for Mr. Wailes. Counsel states a number of reasons for her assertion that no further action should be taken against Mr. Wailes. She states that Mr. Wailes was "unaware at the time the endorsements were made" that the endorsement could be considered a contribution and expected that "the loan obligation would be paid in full from legitimate contributions," an expectation which was fulfilled. She also states, that, because the obligation

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was repaid fully, "there is currently no violation," and "the violation was a technical and transitory one." Finally counsel "argues that the Commission should take into account the fact that one of the endorsers was the candidate who legally could have contributed more than $1,000 of his own funds, and therefore could legally bear a share of the 'contribution' attributed by the Commission to the non-candidate endorsers large enough to place them within the $1,000 limit."

II. LEGAL ANALYSIS

Section 441a(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. Although, according to § 431(8)(B)(vii), a loan by a bank made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors." See also 11 C.F.R. § 100.7(a)(1)(C). As one of seven endorsers of the $25,000 loan, Mr. Wailes is considered to have endorsed $3,571 of the loan. This endorsement was in excess of the § 441a(a)(1)(A) limitation by $2,571.

In this matter, counsel has asserted that, because the loan was repaid fully, "there is currently no violation." This defense ignores the fact that a loan was made, that there were

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endorsements, and that the loan remained outstanding for four and one-half months. Because of the size of Mr. Wailes' endorsement, there was an excessive contribution during the time the loan was unpaid.

The defense that the candidate himself could have borne a greater share of the repayment obligation to the extent that none of the other endorsers' obligation would exceed $1,000 does not address the allegations made. The candidate's ability to bear a repayment obligation is not at issue. The issue is the fact that Mr. Wailes assumed an obligation in excess of the $1,000 limitation.

The asserted lack of intent to violate the Act is also not at issue. The issue is the endorsement itself by Mr. Wailes in an amount greater than $1,000.

Based on the foregoing analysis, the General Counsel recommends that the Commission find probable cause to believe that Mr. Wailes violated 2 U.S.C. § 441a(a)(1)(A).

III. RECOMMENDATION

1. Find probable cause to believe that Chatman Wailes violated 2 U.S.C. § 441a(a)(1)(A).

10/22/85
Date

Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1985

Albert W. Johnson
990 North Lake Shore Drive
Chicago, Illinois 60611

Re: MUR 1738
Al Johnson

Dear Mr. Johnson:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 10, 1984, found reason to believe that you had violated 2 U.S.C. § 441a(a)(1)(A) and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

This correspondence is being sent to you, rather than your previous counsel, because we have been informed that previous counsel is employed presently by a governmental agency and is no longer representing you.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

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Should you have any questions, please contact Jonathan Levin, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele

Charles N. Steele
General Counsel

Enclosure
Brief

8904074369

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1738
Al Johnson)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter involves an allegation that Al Johnson was one of six individuals endorsing a $50,000 loan to the Hayes for Congress Committee ("the Hayes Committee").

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a $50,000 in loans from six individuals, including the candidate on July 25, 1983. The Hayes Committee's 30 Day Post Special General Report received on September 22, 1983, disclosed repayment of the $50,000 in loans plus $833 in interest on September 12, 1983, to the Independence National Bank. An amendment sent to the Commission by the Hayes Committee on November 16, 1983, stated that it had repaid the $50,000 in loans to the bank. This created some confusion in that the Hayes Committee had originally reported the $50,000 loan as being from individuals.

On December 13, 1983, the Committee filed amended 12 Pre-Special General and 30 Day Post Special General Reports designating the $50,000 total for the primary. A Schedule A (committee receipts) of the first report disclosed an individual contribution of $8,334 from Mr. Johnson. A Schedule B (committee disbursements) from the latter report disclosed a repayment of $8,334 to Mr. Johnson.

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On July 10, 1984, the Commission found reason to believe that Mr. Johnson violated 2 U.S.C. § 441a(a)(1)(A). On August 13, 1984, the Office of the General Counsel received a reply from counsel for Mr. Johnson.

Counsel clarified the circumstances of the loan by stating that the loan was from the bank and that Mr. Johnson was an endorser. Counsel states a number of reasons for her assertion that the Commission should take no further action against Mr. Johnson. She states that Mr. Johnson was "unaware at the time the endorsements were made" that the endorsement could be considered a contribution. She states that Mr. Johnson expected that "the loan obligation would be paid in full from legitimate contributions and that most of the loan has indeed been repaid from such funds and that the balance would be so repaid.1/ Counsel also states "that the Commission should take into account the fact that one of the endorsers was the candidate, who, as the Commission's analysis notes, can make unlimited contributions from personal funds, and therefore could legally bear a share of the 'contribution' attributed by the Commission to the non-candidate endorsers large enough to place them within the $1,000 limit."

1/ It appears that counsel is unaware that the loan was repaid in full.

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II. LEGAL ANALYSIS

Section 441a(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. Although, according to § 431(8)(B)(vii), a loan by a bank made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8))(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors." See also 11 C.F.R. § 100.7(a)(1)(C). As one of six endorsers of the $50,000 loan, Mr. Johnson is considered to have endorsed $8,334 of the loan. This endorsement was in excess of the § 441a(a)(1)(A) limitation by $7,334.

In this matter, counsel has asserted that Mr. Johnson made the endorsement with the expectation that the loan obligation would be repaid fully from the legitimate contributions and that the loan was being repaid in that manner. This defense ignores the fact that the loan remained unpaid for forty-eight days and, that, therefore, there was an excessive contribution.

The defense that the candidate himself could have borne a greater share of the repayment obligation to the extent that none of the other endorsers' obligation would exceed $1,000 does not

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address the allegations made. The candidate's ability to bear a repayment obligation is not at issue. The issue is the fact that Al Johnson assumed an obligation in excess of the $1,000 limitation.

The asserted lack of intent to violate the Act is also not at issue. The issue is the endorsement itself by Mr. Johnson in an amount greater than $1,000.

Based on the foregoing analysis, the General Counsel recommends that the Commission find probable cause to believe that Al Johnson violated 2 U.S.C. § 441a(a)(1)(A).

III. RECOMMENDATION

1. Find probable cause to believe that Al Johnson violated 2 U.S.C. § 441a(a)(1)(A).

10/22/05
Date

Charles N. Steele
General Counsel

3304374373

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1985

Edwin C. Berry
8522 South LaFayette
Chicago, Illinois 60620

Re: MUR 1738
Edwin C. Berry

Dear Mr. Berry:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 10, 1984, found reason to believe that the you had violated 2 U.S.C. § 441a(a)(1)(A) and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

This correspondence is being sent to you, rather than your previous counsel, because we have been informed that previous counsel is employed presently by a governmental agency and is no longer representing you.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

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Should you have any questions, please contact Jonathan Levin, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele /FM

Charles N. Steele
General Counsel

Enclosure
Brief

8804067437S

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1738
Edwin C. Berry	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter involves an allegation that Edwin C. Berry was one of six individuals endorsing a $50,000 loan to the Hayes for Congress Committee ("the Hayes Committee").

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of $50,000 in loans from six individuals, including the candidate. The Hayes Committee's 30 Day Post Special General Report received on September 22, 1983, disclosed repayment of the $50,000 in loans plus $833 in interest on September 12, 1983, to the Independence National Bank. An amendment sent to the Commission by the Hayes Committee on November 16, 1983, stated that it had repaid the $50,000 in loans to the bank. This created some confusion in that the Hayes Committee had originally reported the $50,000 loan as being from individuals.

On December 13, 1983, the Committee filed amended 12 Pre-Special General and 30 Day Post Special General Reports designating the $50,000 total for the primary. A Schedule A (committee receipts) of the first report disclosed an individual contribution of $8,333 from Mr. Berry. A Schedule B (committee disbursements) from the latter report disclosed a repayment of $8,333 to Mr. Berry.

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On July 10, 1984, the Commission found reason to believe that Mr. Berry violated 2 U.S.C. § 441a(a)(1)(A). On August 13, 1984, the Office of the General Counsel received a reply from counsel for Mr. Berry.

Counsel clarified the circumstances of the loan by stating that the loan was from the bank and that Mr. Berry was an endorser. Counsel states a number of reasons for her assertion that the Commission should take no further action against Mr. Berry. She states that Mr. Berry was "unaware at the time the endorsements were made" that the endorsement could be considered a contribution. She states that Mr. Berry expected that "the loan obligation would be paid in full from legitimate contributions and that most of the loan has indeed been repaid from such funds and that the balance would be so repaid.[1]/ Counsel also states "that the Commission should take into account the fact that one of the endorsers was the candidate, who, as the Commission's analysis notes, can make unlimited contributions from personal funds, and therefore could legally bear a share of the 'contribution' attributed by the Commission to the non-candidate endorsers large enough to place them within the $1,000 limit."

---

[1]/It appears that counsel is unaware that the loan was repaid in full.

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II.LEGAL ANALYSIS

Section 44la(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. Although, according to § 431(8)(B)(vii), a loan by a bank made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8))(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors." See also 11 C.F.R. § 100.7(a)(1)(C). As one of six endorsers of the $50,000 loan, Mr. Berry is considered to have endorsed $8,333 of the loan. This endorsement was in excess of the § 44la(a)(1)(A) limitation by $7,333.

In this matter, counsel has asserted that Mr. Berry made the endorsement with the expectation that the loan obligation would be repaid fully from the legitimate contributions and that the loan was being repaid in that manner. This defense ignores the fact that the loan remained unpaid for forty-eight days and, that, therefore, there was an excessive contribution.

The defense that the candidate himself could have borne a greater share of the repayment obligation to the extent that none of the other endorsers' obligation would exceed $1,000 does not

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address the allegations made. The candidate's ability to bear a repayment obligation is not at issue. The issue is the fact that Edwin C. Berry assumed an obligation in excess of the $1,000 limitation.

The asserted lack of intent to violate the Act is also not at issue. The issue is the endorsement itself by Mr. Berry in an amount greater than $1,000.

Based on the foregoing analysis, the General Counsel recommends that the Commission find probable cause to believe that Edwin C. Berry violated 2 U.S.C. § 441a(a)(1)(A).

III. RECOMMENDATION

1. Find probable cause to believe that Edwin C. Berry violated 2 U.S.C. § 441a(a)(1)(A).

10/22/85
Date

Charles N. Steele
General Counsel

9804074379

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1985

James L. Wright
8201 S. Langley
Chicago, Illinois 60619

Re: MUR 1738
James L. Wright

Dear Mr. Wright:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 10, 1984, found reason to believe that you had violated 2 U.S.C. § 441a(a)(1)(A) and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

This correspondence is being sent to you, rather than your previous counsel, because we have been informed that previous counsel is employed presently by a govermental agency and is no longer representing you.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

8304074390

Should you have any questions, please contact Jonathan Levin, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele

Charles N. Steele
General Counsel

Enclosure
Brief

98040674381

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1738
James L. Wright	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter involves an allegation that James L. Wright was an endorser on a $25,000 loan to the Hayes for Congress Committee ("the Hayes Committee") from the Independence National Bank in violation of 2 U.S.C. § 441a(a)(1)(A).

The Hayes Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of a $25,000 loan from the Independence National Bank. The report listed seven endorsers, including the candidate. The loan was subsequently designated by the Hayes Committee as being for the primary on the Hayes Committee's amended 12 Day Pre-Special General and 30 Day Post-Special General Reports filed on December 13, 1983.

On July 10, 1984, the Commission found reason to believe that Mr. Wright violated 2 U.S.C. § 441a(a)(1)(A). On August 13, 1984, the Office of the General Counsel received a reply from counsel for Mr. Wright. Counsel states a number of reasons for her assertion that no further action should be taken against Mr. Wright. She states that Mr. Wright was "unaware at the time the endorsements were made" that the endorsement could be considered a contribution and expected that "the loan obligation would be paid in full from legitimate contributions," an expectation which was fulfilled. She also states that, because the obligations

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was repaid fully, "there is currently no violation," and "the violation was a technical and transitory one." Finally, counsel argues that "the Commission should take into account the fact that one of the endorsers was the candidate who legally could have contributed more than $1,000 of his own funds, and therefore could legally bear a share of the 'contribution' attributed by the Commission to the non-candidate endorsers large enough to place them within the $1,000 limit."

II. LEGAL ANALYSIS

Section 441a(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his committee. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. Although, according to § 431(8)(B)(vii), a loan by a bank made in accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(B)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors." See also 11 C.F.R. § 100.7(a)(1)(C). As one of seven endorsers of the $25,000 loan, Mr. Wright is considered to have endorsed $3,571 of the loan. This endorsement was in excess of the § 441a(a)(1)(A) limitation by $2,571.

In this matter, counsel has asserted that, because the loan was repaid fully, "there is currently no violation." This defense ignores the fact that a loan was made, that there were

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endorsements, and that the loan remained outstanding for four and one-half months. Because of the size of the endorsements Mr. Wright's, there was an excessive contribution during the time the loan was unpaid.

The defense that the candidate himself could have borne a greater share of the repayment obligation to the extent that none of the other endorsers' obligation would exceed $1,000 does not address the allegations made. The candidate's ability to bear a repayment obligation is not at issue. The issue is the fact that Mr. Wright assumed an obligation in excess of the $1,000 limitation.

The asserted lack of intent to violate the Act is also not at issue. The issue is the endorsement itself by Mr. Wright in an amount greater than $1,000.

Based on the foregoing analysis, the General Counsel recommends that the Commission find proable cause to believe that Mr. Wright violated 2 U.S.C. § 441a(a)(1)(A).

III. RECOMMENDATION

1. Find probable cause to believe that James L. Wright violated 2 U.S.C. § 441a(a)(1)(A).

10/22/85
Date

Charles N. Steele
General Counsel

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SENSITIVE

COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

95 OCT 23 All : 45

October 23, 1985

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele CNS/lr
General Counsel

SUBJECT: MUR 1738

On July 5, 1985, the Commission was notified that briefs were mailed to eleven respondents in the above-captioned matter. This Office has discovered that the briefs were not mailed on that date. This memorandum is to notify you that the briefs were mailed on October 22, 1985.

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BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

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In the Matter of	)	
	)	
Hayes for Congress Committee Odell Hicks, as treasurer	)	
	)	
Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council ("CANPAC") J. Robert Kettlewell, as treasurer	)	MUR 1738
	)	
Illinois Public Action Council	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

Based on the assessment of the information presently available, the Office of the General Counsel is prepared to close the investigation in this matter as to the Hayes for Congress Committee and Odell Hicks, as treasurer, CANPAC and J. Robert Kettlewell, as treasurer, and the Illinois Public Action Council.

1 November 1995
Date

Charles N. Steele
General Counsel

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RECEIVED BY THE FEC
GCM# 8899
85 NOV 8 A9:31

LAW OFFICES
EARL L. NEAL & ASSOCIATES

EARL L. NEAL
MICHAEL D. LEROY
ANNE L. FREDD
RICHARD F. FRIEDMAN
LESTER H. MCKEEVER, JR.
TERRANCE L. DIAMOND
LANGDON D. NEAL

111 WEST WASHINGTON STREET
SUITE 1010
CHICAGO, ILLINOIS 60602
TELEPHONE 641-7144

November 6, 1985

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

85 NOV 8 P12:07
RECEIVED
GENERAL COUNSEL

Re: MUR 1738
Albert W. Johnson

Dear Sir:

Please file the enclosed motion for extension and letter of representation filed on behalf of Albert W. Johnson.

Very truly yours,

Richard F. Friedman

RFF/wrm
Enclosures

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Albert W. Johnson
990 North Lake Shore Drive
Chicago, Illinois 60611

November 5, 1985

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

Re: MUR 1738

Please consider this a letter of representation pursuant to 11 C.F.R. §111.23. My counsel in the above proceeding is:

Earl L. Neal
Earl L. Neal & Associates
111 W. Washington St.
Suite 1010
Chicago, Illinois 60602
(312) 641-7144

I authorize Earl L. Neal to receive any and all notifications and other communications from the Commission on my behalf.

Very truly yours,

Albert W. Johnson
Respondent

cc: Mr. Charles Steele.
General Counsel

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85 NOV 8 A9:32

BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF)
) No. MUR 1738
ALBERT W. JOHNSON)

MOTION FOR EXTENSION OF TIME

Albert W. Johnson, respondent herein, by Earl L. Neal, his attorney, moves for an extension of time of twenty days to and including November 28, 1985, within which to file his brief in response to the General Counsel's Brief filed in this cause on October 22, 1985.

Respondent further moves that his counsel be furnished with a copy of the complete record in this cause, including without limitation, the complaint, notices, and briefs filed on behalf of the Commission and all responses and other matters filed on behalf of the respondent. In support hereof, respondent submits the affidavit of Richard F. Friedman, one of his attorneys.

Respectfully submitted,

Albert W. Johnson,
Respondent

By_____
Earl L. Neal, his attorney

EARL L. NEAL & ASSOCIATES
111 W. Washington St.
Suite 1010
Chicago, Illinois 60602
(312) 641-7144
#91186

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AFFIDAVIT

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

RICHARD F. FRIEDMAN, being sworn, states as follows:

1. I am an attorney in the firm of Earl L. Neal & Associates. This firm represents Albert W. Johnson, respondent in the proceeding before the Federal Election Commission, No. MUR 1738. This affidavit is submitted in support of Mr. Johnson's Motion for Extension of Time within which to file his brief.

2. The brief of the general counsel was dated October 22, 1985. Mr. Johnson informs me he received his copy of the brief no earlier than October 24, 1985. Accordingly, the 15-day filing period for the submission of Mr. Johnson's brief expires November 8, 1985.

3. My, and this firm's, first opportunity to interview Mr. Johnson was November 4, 1985. In our discussions, we learned that Mr. Johnson had no documents relating to this proceeding other than the instant general counsel's brief. He furnished the name of his former attorney, who we are attempting to contact. However, Mr. Johnson's former attorney is no longer employed by the law firm in which she worked at the time she filed documents on behalf of Mr. Johnson. Therefore, we are unable to determine whether in fact we will be able to obtain any of the pleadings or responses filed in this cause.

4. It is estimated that the reconstruction of the record in this cause, research, and preparation of the brief on behalf of Mr. Johnson will require no less than 3 weeks. Accordingly, it is necessary to request an extension of time for filing the brief of the respondent 20 days from November 8, 1985, to and including November 28, 1985.

_____

SUBSCRIBED AND SWORN TO
before me this ___ day
of November, 1985.

_____
NOTARY PUBLIC

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RECEIVED BY THE FEC
GCC# 9092
85 DEC 2 A9:17

EDWIN C. BERRY
8522 South LaFayette
Chicago, Illinois 60620

November 15, 1985

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

Re: MUR 1738

Please consider this a letter of representation pursuant to 11 C.F.R. §111.23. My counsel in the above proceeding is:

Earl L. Neal
Earl L. Neal & Associates
111 W. Washington St.
Suite 1010
Chicago, Illinois 60602
(312) 641-7144

I authorize Earl L. Neal to receive any and all notifications and other communications from the Commission on my behalf.

Very truly yours,

Edwin C. Berry

Edwin C. Berry
Respondent

cc: Mr. Charles Steele
General Counsel

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RECEIVED
OFFICE OF GENERAL COUNSEL
FEC
COMMISSION SECRETARY
5 DEC 2 P5:49

85 DEC 2 All :43

JAMES L. WRIGHT
8201 S. Langley
Chicago, Illinois 60619

November 15, 1985

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

Re: MUR 1738

Please consider this a letter of representation pursuant to 11 C.F.R. §111.23. My counsel in the above proceeding is:

Earl L. Neal
Earl L. Neal & Associates
111 W. Washington St.
Suite 1010
Chicago, Illinois 60602
(312) 641-7144

I authorize Earl L. Neal to receive any and all notifications and other communications from the Commission on my behalf.

Very truly yours,

James L. Wright

James L. Wright
Respondent

cc: Mr. Charles Steele
General Counsel

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GCC#9111
J. Levin

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 15, 1985

Richard F. Friedman, Esquire
Earl L. Neal & Associates
111 West Washington Street
Suite 1010
Chicago, IL 60602

RE: MUR 1738
Albert W. Johnson

Dear Mr. Johnson:

Pursuant to your request, the Office of the General Counsel is granting you an extension of time to file a reply brief in the above captioned matter. Your response is due at the Commission on November 21, 1985.

Because the former counsel in this matter has not sent her documents to you, this Office is enclosing a copy of the General Counsel's Factual and Legal Analysis sent to Mr. Johnson and the relevant portions of the reply of former counsel to the reason to believe notification.

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

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures
Copy of Factual and Legal Analysis
Reply of former counsel

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CCC#9011
J. Levin

LAW OFFICES
EARL L. NEAL & ASSOCIATES

EARL L. NEAL
MICHAEL D. LEROY
ANNE L. FREDD
RICHARD F. FRIEDMAN
LESTER H. MCKEEVER, JR.
TERRANCE L. DIAMOND
LANGDON D. NEAL

111 WEST WASHINGTON STREET
SUITE 1010
CHICAGO, ILLINOIS 60602
TELEPHONE 641-7144

FEDERAL EXPRESS

November 20, 1985

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

Re: MUR 1738

Dear Sir:

Please find enclosed the Motion for Further Extension filed on behalf of certain respondents. In addition, I enclose letters of representation from respondents Ernest Bush, Jacoby Dickens, Sid Ordower, Robert Vaughn and Chatman Wailes, Jr.

Very truly yours,

Richard F. Friedman

RFF/wrm
Enclosures
cc: Mr. Charles N. Steele
General Counsel
Representative Charles Hayes

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BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF	)	
	)	
ALBERT W. JOHNSON, ERNEST BUSH, JACOBY DICKENS, SID ORDOWER, ROBERT VAUGHN AND CHATMAN WAILES, JR.	)	No. MUR 1738

MOTION FOR FURTHER EXTENSION OF TIME

Albert W. Johnson, Ernest Bush, Jacoby Dickens, Sid Ordower, Robert Vaughn and Chatman Wailes, Jr., respondents herein, by Earl L. Neal, their attorney, move for a further extension of time within which to file their brief in response to the General Counsel's brief filed in this cause October 22, 1985. The respondents move that the time for filing their brief be extended four weeks to December 20, 1985, since the discovery materials requested by their counsel were not received until November 20, 1985.

In support hereof, the respondents attach Suggestions and the affidavit of Richard F. Friedman, one of their attorneys.

Respectfully submitted,

ALBERT W. JOHNSON, ET AL.,
RESPONDENTS HEREIN

By Earl L. Neal
Earl L. Neal
Their Attorney

Earl L. Neal
Earl L. Neal & Associates
111 W. Washington
Suite 1010
Chicago, Illinois 60602
641-7144

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BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF	)	
	)	
ALBERT W. JOHNSON, ERNEST BUSH, JACOBY DICKENS, SID ORDOWER, ROBERT VAUGHN AND CHATMAN WAILES, JR.	)	No. MUR 1738

SUGGESTIONS IN SUPPORT OF RESPONDENTS' MOTION FOR FURTHER EXTENSION OF TIME

In support of the Motion for Further Extension of Time filed herein, the above named respondents file these suggestions:

1. This matter arises on account of allegations that the respondents have violated two USC Section 4401K(a)(1)(A) in that they are considered to have contributed more than $1,000 by reason of their endorsement of a bank note in favor of candidate for Congress (now representative) Charles Hayes. The loans were disclosed by reports to the Federal Election Commission filed August 12, September 22, November 16, and December 13, 1983.

2. Eight months following the last report, the Commission (apparently based upon an internally generated report) found reason to believe the respondents had violated the contribution limit provisions of the Federal Election Act.

3. More than one year and three months thereafter, the General Counsel to the Commission issued its brief, dated October 22, 1985 recommending a finding of probable cause to believe a violation had occurred. The brief was received by the respondents October 24 or 25, 1985. One of the respondents, Albert Johnson, immediately filed a motion for extension of time to permit Earl L. Neal & Associates, his new counsel, to

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investigate this matter, review the proceedings, become familiar with the record and to analyze the issues. The motion was filed with the Commission Secretary in person by the administrative assistant to Congressman Charles Hayes on November 7, 1985. Delivered therewith was the letter of representation of Mr. Johnson appointing Earl L. Neal & Associates as his attorney.

4. Neither the respondent nor his attorney had received a written response to said motion until November 20, 1985.

5. On November 13, 1985, Richard F. Friedman, an attorney for respondents, received a telephone call from Jonathon Levin, an assistant general counsel to the Commission. Mr. Levin stated that the Commission had granted an extension of time to November 21, 1985 within which to file the respondent's brief. Written confirmation was not received until November 20, 1985.

6. Respondent's motion filed November 7, 1985 further sought discovery in this matter. The motion requested that respondent's counsel be furnished with a copy of the complete record in the cause, including without limitation, the complaint, notices and briefs filed on behalf of the Commission or its counsel and all responses in other matters filed on behalf of the respondent.

7. The motion for discovery was necessary because the respondent was unable to furnish these items to his new counsel. Respondent's present counsel is unable to ascertain whether a letter of representation was filed on behalf of these respondents to permit their representation by Robin Charleston. In any case, it appears that Ms. Charleston filed a letter on behalf of

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respondents on or about August 13, 1984 replying to the Commission's finding of reason to believe a violation had been committed. Neither respondent nor his present attorney was in possession of any of the documents Ms. Charleston may have had with respect to this case. In particular, the respondents did not have the initial finding of the Commission dated July 10, 1984, any fact or report generated internally upon which it was based, nor, significantly, the response filed by Ms. Charleston.

8. Neither the respondents nor the former Hayes Committee Finance Chairman had copies of the requested documents. Neither did Ms. Charleston. Ms. Charleston is no longer employed by the law firm for whom she was working at the time she submitted the reply on behalf of respondents. She no longer is in possession of the file pertaining to this case.

9. In his November 13, 1985 telephone call to respondent's attorney, Jonathon Levin stated that the Commission had allowed the respondent's motion for discovery to a limited extent. Mr. Levin stated that the Commission had permitted respondent's attorney to receive an initial pleading as well as (to the extent it applied to Mr. Johnson) Ms. Charleston's letter.

10. Despite the foregoing assurance, neither Mr. Johnson nor respondent's attorney received a written ruling on the motion for discovery nor the materials promised by Mr. Levin until November 20, 1985.

11. The failure to furnish the requested discovery materials in a timely way severely restricted the ability of respondents' counsel to prepare a defense or a response to the

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brief of the general counsel. It was impossible to know all of the facts upon which the counsel's allegations are predicated. Further, it was impossible to prepare a defense consistent with the initial defense presented by respondents' former attorney. It was impossible to know what factual and legal issues were presented on behalf of the respondents. A full, comprehensive and adequate defense could not be made until the Commission discloses the record to respondents' present counsel.

12. For the foregoing reasons, the respondents respectfully requested that the Federal Election Commission permit respondents to file their response to the brief of the general counsel within four weeks of receiving such materials.

13. The General Counsel had 15 months between the date of the notice of finding of "reason to believe" and the filing of the Commission's brief. It is unfair and unrealistic to require the respondents to file their brief in a substantially shorter period.

Respectfully submitted,

ALBERT W. JOHNSON, ET AL.,
RESPONDENTS HEREIN

By Earl L. Neal
Earl L. Neal
Their Attorney

Earl L. Neal
Earl L. Neal & Associates
111 W. Washington
Suite 1010
Chicago, Illinois 60602
641-7144

8304074399

CHATMAN WAILES, JR.
8540 S. Marquette Avenue
Chicago, Illinois 60617

November 15, 1985

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

Re: MUR 1738

Please consider this a letter of representation pursuant to 11 C.F.R. §111.23. My counsel in the above proceeding is:

Earl L. Neal
Earl L. Neal & Associates
111 W. Washington St.
Suite 1010
Chicago, Illinois 60602
(312) 641-7144

I authorize Earl L. Neal to receive any and all notifications and other communications from the Commission on my behalf.

Very truly yours,

Chatman Wailes, Jr.

Chatman Wailes, Jr.
Respondent

cc: Mr. Charles Steele
General Counsel

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AFFIDAVIT

COUNTY OF COOK)
) SS.
STATE OF ILLINOIS)

RICHARD F. FRIEDMAN, being sworn, states that he is an attorney in the law firm of Earl L. Neal & Associates, which firm represents certain respondents in proceeding no. MUR 1738 before the Federal Election Commission. As such, affiant has knowledge of the facts stated in the Suggestions in support of respondents' Motion for a Further Extension of Time. The facts stated in said Suggestions are true.

Richard F. Friedman

SIGNED AND SWORN to
before me this 20th
day of November, 1985.

Priscilla Blaylock
Notary Public

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BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF	)	
	)	
ALBERT W. JOHNSON, ERNEST BUSH, JACOBY DICKENS, SID ORDOWER, ROBERT VAUGHN AND CHATMAN WAILES, JR.	)	No. MUR 1738

PROOF OF SERVICE

RICHARD F. FRIEDMAN, an attorney representing respondents, certifies that he filed and served the within Motion and Suggestions upon the Commission Secretary and upon the General Counsel to the Federal Election Commission, both at Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463 by placing the same for next day delivery with Federal Express.

Richard F. Friedman

3320407402

ERNEST BUSH
8324 S. Prairie Avenue
Chicago, Illinois 60619

November 7, 1985

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

Re: MUR 1738

Please consider this a letter of representation pursuant to 11 C.F.R. §111.23. My counsel in the above proceeding is:

Earl L. Neal
Earl L. Neal & Associates
111 W. Washington St.
Suite 1010
Chicago, Illinois 60602
(312) 641-7144

I authorize Earl L. Neal to receive any and all notifications and other communications from the Commission on my behalf.

Very truly yours,

Ernest Bush
Respondent

cc: Mr. Charles Steele
General Counsel

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JACOBY DICKENS
645 E. 87th Street
Chicago, Illinois 60619

November 7, 1985

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

Re: MUR 1738

Please consider this a letter of representation pursuant to 11 C.F.R. §111.23. My counsel in the above proceeding is:

Earl L. Neal
Earl L. Neal & Associates
111 W. Washington St.
Suite 1010
Chicago, Illinois 60602
(312) 641-7144

I authorize Earl L. Neal to receive any and all notifications and other communications from the Commission on my behalf.

Very truly yours,

Jacoby Dickens
Respondent

cc: Mr. Charles Steele
General Counsel

8804067494

SID ORDOWER
30 W. Washington
Suite 703
Chicago, Illinois 60619

November 15, 1985

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

Re: MUR 1738

Please consider this a letter of representation pursuant to 11 C.F.R. §111.23. My counsel in the above proceeding is:

Earl L. Neal
Earl L. Neal & Associates
111 W. Washington St.
Suite 1010
Chicago, Illinois 60602
(312) 641-7144

I authorize Earl L. Neal to receive any and all notifications and other communications from the Commission on my behalf.

Very truly yours,

Sid Ordower

Sid Ordower
Respondent

cc: Mr. Charles Steele
General Counsel

3304057405

ROBERT VAUGHN
1169 S. Plymouth Avenue
Chicago, Illinois 60605

November 7, 1985

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

Re: MUR 1738

Please consider this a letter of representation pursuant to 11 C.F.R. §111.23. My counsel in the above proceeding is:

Earl L. Neal
Earl L. Neal & Associates
111 W. Washington St.
Suite 1010
Chicago, Illinois 60602
(312) 641-7144

I authorize Earl L. Neal to receive any and all notifications and other communications from the Commission on my behalf.

Very truly yours,

Robert Vaughn

Robert Vaughn
Respondent

cc: Mr. Charles Steele
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 21, 1985

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

ATTENTION: JONATHAN LEVIN

FROM: SHAWN WOODHEAD
SENIOR COMPLIANCE ANALYST
COMPLIANCE BRANCH, REPORTS ANALYSIS DIVISION

SUBJECT: MUR 1738: HAYES FOR CONGRESS COMMITTEE

Please review the attached Request for Additional Information which is to be sent to the Hayes for Congress Committee for the 1985 Mid-Year Report. If no response or an inadequate response is received, a Second Notice will be sent.

Any comments which you may have should be forwarded to RAD by 12:30 p.m. on Monday, November 25, 1985. Thank you.

COMMENTS:

Attachment

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Lawrence Ragland, Treasurer
Hayes for Congress Committee
15525 South Park
South Holland, IL 60473

Identification Number: C00167254

Reference: Mid-Year Report (1/1/85-6/30/85)

Dear Mr. Ragland:

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 includes a loan owed to Independence Bank of Chicago with a due date of 3/27/85. Please clarify the current status of this loan and disclose the current terms and conditions if the loan was renegotiated. Note that an overdue bank loan may be considered a prohibited contribution by the bank or lending institution unless the current terms and conditions are disclosed with a repayment schedule. (11 CFR 100.7(b)(11))

An amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 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) 523-4048.

Sincerely,

Noriega E. James
Reports Analyst
Reports Analysis Division

8804074408

GCC#9112 J. Levin

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

RECEIVED
OFFICE OF
GENERAL COUNSEL

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JOLYN ROBICHAUX
BALDWIN ICE CREAM CO
4825 S. INDIANA AVE.
CHICAGO, ILLINOIS 60615

November 22, 1985

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

Re: MUR 1738

Please consider this a letter of representation pursuant to 11 C.F.R. §111.23. My counsel in the above proceeding is:

Earl L. Neal
Earl L. Neal & Associates
111 W. Washington St.
Suite 1010
Chicago, Illinois 60602
(312) 641-7144

I authorize Earl L. Neal to receive any and all notifications and other communications from the Commission on my behalf.

Very truly yours,

John H. Robichaux

Jolyn Robichaux
Respondent

cc: Mr. Charles Steele
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE FEC
SECRETARY
SENSITIVE
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MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

SUBJECT: MUR 1738

Attached for the Commission's review are briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. Copies of these briefs and letters notifying the respondents of the General Counsel's intent to recommend to the Commission findings of probable cause to believe were mailed on November 22, 1985. Following receipt of the respondents' replies to these notices, this Office will make a further report to the Commission.

Attachments
1. Briefs
2. Letters to respondents

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 26, 1985

Odell Hicks, Treasurer
Hayes for Congress Committee
4859 South Wabash Avenue
Chicago, Illinois 60615

Re: MUR 1738
Hayes for Congress Committee
Odell Hicks, as treasurer

Dear Mr. Hicks:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 10, 1984, found reason to believe that the Hayes for Congress Committee ("the Committee") and you, as treasurer, had violated 2 U.S.C. § 441a(f) and 434(b)(8) and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that violations have occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

This correspondence is being sent to you, rather than previous counsel for the Committee, because we have been informed that previous counsel is employed presently by a governmental agency and is no longer representing the Committee.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

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A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Jonathan Levin, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

cc: Garland W. Watt, Esquire

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1738
Hayes for Congress Committee)
Odell Hicks, as treasurer

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

The Hayes for Congress Committee ("the Committee") and Odell Hicks, as treasurer, were referred to the Office of the General Counsel (OGC) on February 16, 1984, by the Reports Analysis Division (RAD). This matter involves excessive contributions made to the Hayes for Congress Committee ("the Committee") by a political action committee and by various individuals who endorsed loans to the Committee. This matter also involves certain reporting problems related to the loans.

The Committee's original 12 Day Pre-Special Primary Report disclosed a $4,500 contribution received on June 22, 1983, from the Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council ("CANPAC") for the primary. After RAD had mailed the Committee a Request for Additional Information (RFAI) on September 13, 1983, the Committee refunded $3,500 to CANPAC on September 26, 1983. A review of the Committee's Year End Report discloses another $3,500 contribution as being received from CANPAC on September 27 for the general election.

The Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of loans totalling $75,000 on Schedule C. This included a $25,000 loan from the

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Independence National Bank of Chicago endorsed by six individuals and the candidate on July 15, 1983. In addition, a total of $50,000 in loans made on July 25, 1983, was reported coming from five individuals and the candidate. The loans were reported on Schedule C, but not on Schedule A. Furthermore, the Schedule C reporting did not disclose the terms of the loans.

On September 27 and October 10, 1983, RAD mailed RFAIs to the Committee requesting that it repay the excessive contributions it received in the form of loans or loan endorsements and that it correctly report the loan terms. On October 10, the Committee accountant and assistant treasurer, Lawrence Ragland, stated that the loans totalling $50,000 had been repaid. The Committee's 30 Day Post Special General Report received on September 22, 1983, disclosed repayment of the $50,000 in loans plus $883 in interest on September 12, 1983, to the Independence National Bank. On November 16, the Committee filed an amendment stating that it had repaid "$50,000 of the $75,000 in loans from the Independence National Bank." This created some confusion in that the Committee had originally reported the $50,000 loan as being from individuals.

On December 13, 1983, the Committee filed amended 12 Day Pre-Special General and 30 Day Post Special General Reports. The amendments included a Schedule A disclosing the receipt date of the loans and the designation of all loans for the primary election and a Schedule B showing repayment of the $50,000 loan to six individuals. The Committee also stated that the remaining $25,000 loan was repaid on December 2, 1983, and provided a copy

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of the note made in connection with the loan agreement, marked "paid". This agreement also disclosed the terms of the loan. The note provided for payment on demand or within eighty days with interest of the bank's base rate plus two per cent prior to demand and base rate plus four per cent after demand. It is signed by the endorsers listed by the Committee.

The endorsers of the $25,000 loan were the candidate and Jolyn Robichaux, Sid Ordower, Ernest Bush, Robert Vaughn, Chatman Wailes, and James L. Wright. The individuals either lending a total of $50,000 or endorsing a loan for that amount were the candidate, and Al Johnson, Howard Medley, Edwin Berry, Addie Wyatt, and Jacoby Dickens.

Another loan presenting problems was a $40,000 loan from the candidate disclosed on Schedule C of the Committee's 30 Day Post Special General Report. The report failed to list the loan on Schedule A and did not detail the date, terms, and source of the funds on Schedule C. After two RFAIs were sent, the Committee provided a Schedule A showing the loan was received on September 12, 1983, and that it was actually for $40,850. The Committee did not disclose the due date and loan terms until the filing of an amended 1984 Year End Report. At that point, all but $6,593 had been repaid.

The Committee's 12 Day Pre-Special General Report disclosed a $1,000 contribution on July 15, 1983, from Jolyn Robichaux for the primary. This amount is in addition to the loan endorsement by Ms. Robichaux. The amended 30 Day Post Special General Report disclosed a $2,000 refund to Ms. Robichaux on August 15, 1983.

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Mr. Ragland's response to RAD's request for clarification of this refund was a statement that this refund was explained in previous correspondence. RAD has received no such previous explanation.

On July 10, 1984, the Commission found reason to believe that the Committee and Odell Hicks, as its treasurer, violated 2 U.S.C. § 441a(f) in connection with its receipt of contributions from CANPAC. The Commission also found reason to believe that the Committee and Mr. Hicks, violated 2 U.S.C. § 441a(f) in connection with the receipt of the $25,000 loan, the $50,000 loan, and Jolyn Robichaux's reported $1,000 contribution. In addition, the Commission found reason to believe that the Committee and Mr. Hicks, as treasurer, violated 2 U.S.C. § 434(b)(8) in connection with the failure to adequately report the terms of the $25,000 loan, the $50,000 loan, and the $40,000 loan to the Committee.

On August 13, 1984, this Office received a response from counsel for the Committee. Mr. Hicks decided to retain separate counsel for himself. This Office received his counsel's response on September 24, 1984. The reply of counsel for CANPAC was received on November 5, 1984.

Counsel for the Committee first addressed the issue of Ms. Robichaux's loan endorsement and the confusion over her other contribution. Counsel explains that the $2,000 refund occurred after a $3,000 contribution by Ms. Robichaux. She states that the Committee refunded the contribution when "Committee representatives realized" that an excessive contribution had been received. Counsel for Mr. Hicks made the same argument.

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With respect to the allegations concerning the receipt of excessive loans in the form of endorsements of the $25,000 loan, counsel for the Committee states that the endorsers were unaware that the endorsements could be considered contributions. Counsel adds that "the expectation was that the loan obligation would be paid in full from legitimate contributions" to the Committee; this expectation was fulfilled. Counsel states that, because the loan obligation has been repaid, "there is currently no violation." Finally, counsel argues that "the Commission should take into account the fact that one of the endorsers was the candidate who legally could have contributed more than $1,000 of his own funds, and therefore could legally bear a share of the 'contribution' attributed by the Commission to the non-candidate endorsers large enough to place them within the $1,000 limit." Counsel also states that there was no intent to violate the Act. Counsel for Mr. Hicks makes the same arguments.

With respect to the $50,000 loan, counsel for the Committee makes arguments similar to those for the $25,000 loan. Curiously, counsel is unaware that the loan has been repaid in full. She states that "the expectation was that the loan obligation would be paid in full from legitimate contributions to the Committee" and that "this obligation has been fulfilled, since most of the loan has been repaid from such funds and since the balance will also be repaid from such funds."

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With respect to the reporting violations, counsel for the Committee stated that the Committee "is willing to make any corrective reports required to rectify the deficiencies identified by the Commission." Counsel clarified the issue of who made the loans and who made and received repayment. Both loans were made by the bank and repayment was made out of Committee funds. Counsel stated that responses relating specifically to the $40,000 loan would be submitted later. No such responses were submitted. Counsel, however, states that it was her understanding that there were no guarantors or endorsers on the loan. This is reflected in the Committee's reports.

Counsel for Mr. Hicks also put forth defenses for Mr. Hicks based upon contentions that the treasurer's participation in the Committee was somewhat minimal.

Counsel for the Committee did not address the issue of the receipt of the excessive contributions from CANPAC. The response of counsel for CANPAC asserted that CANPAC was a multicandidate committee and could, therefore, make the contributions in question. In order to prove this, it enclosed an affidavit stating that, between August and October, 1982, it received contributions from fifty individuals, 49 of whom were not itemized because their contributions ranged in value from $1.00 to $37.50. A further review of CANPAC's reports, however, raised the question of whether CANPAC had, in fact, satisfied one of the other criteria, contributions to five candidates. Interrogatories

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were sent to CANPAC with respect to this issue. CANPAC's response indicated that its connected organization made all but one of the disbursements to candidates listed on its reports and that the only contribution made by CANPAC itself was the June, 1983, contribution to the Hayes Committee.

Mr. Hicks maintains that he did not work on a day-to-day basis managing the finances of the Committee. He states that he was asked by Mr. Hayes to be the treasurer of his committee. After being assured that Mr. Lawrence Ragland, an accountant associated with the campaign, was "very familiar with the requirements of the Federal Election Commission," and after being assured by Mr. Ragland that the committee records were in order and that "he was on top of the reporting requirements," Mr. Hicks would "occasionally" stop by the campaign office to sign checks and review the financial records with Ruth Carruthers, the day-to-day bookkeeper. "Most days Mr. Hicks would have a telephone conversation with Ruth Carruthers on the cash position and the nature of expenditures for which checks were being issued that day." According to counsel, during late July or early August, 1983, Mr. Hicks, in the course of one of his conversations with Ms. Carruthers was informed that another person, James Wright, was authorized to sign checks for the Committee. This created a concern on Mr. Hicks's part as to the Committee's operations. He was further concerned when he heard that the Committee "had borrowed in July additional funds very similar to the first $25,000 loan, which he knew by this time to be outside of the

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guidelines of the FEC regulations." Mr. Hicks maintains that, after the filing of the Pre-Run-Off report, he "had no active participation with the Committee."

Mr. Hicks concludes from this account of his participation that the Commission should take no action against him because he had no intention of violating the Act, because he relied on Mr. Ragland's representations that he could act competently with regard to reporting requirements, and because he "separated himself from the Committee as soon as he knew that some of its funding methods were possibly violative of the FEC regulations."

Mr. Hicks' counsel also applies this defense to some of the specific allegations. With respect to the receipt of the endorsements of the $25,000 loan, counsel argues that Mr. Hicks "did not intend to evade or violate the Act." With respect to the receipt of the endorsements of the $50,000 loan and the failure to report the $40,000 loan properly, counsel maintains that Mr. Hicks had "no direct knowledge" of the transactions involved. As to the receipt of the $4,500 contribution from CANPAC in June, 1983, counsel maintains that Ms. Carruthers had advised Mr. Hicks that the contribution was being refunded, that Mr. Hicks had no intention of violating the Act, and that, after the filing of the Pre-Special General Election Report, Mr. Hicks "had no active participation with the Committee."

II. LEGAL ANALYSIS

As a general defense to the allegations, Mr. Hicks maintains that he assumed the treasurer's post after being assured that

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other personnel involved with the Committee could fulfill the reporting requirements. Mr. Hicks, however, proceeds to describe an involvement with the Committee that was more than occasional. Mr. Hicks maintains that he was told that the contribution from CANPAC was being refunded. He then states that he ceased active participation after the Committee filed its Pre-Run Off report, i.e., August 10, 1985. In referring to some of the loans to the Committee, Mr. Hicks also maintains that he separated himself from the Committee as soon as he "learned" that some of the "funding methods were possibly violative of the FEC regulations." A review of reports filed by the Committee, however, reveals Mr. Hicks was signing reports as late as September 20, 1983, and writing explanatory corespondence to the Clerk of the House as late as November 7, 1983. This indicates that he actively continued his duties as treasurer until that date, even if he did not maintain day-to-day control over the Committee's records. Furthermore, the Committee's Statement of Organization has not been amended and Mr. Hicks is still, therefore, the Committee's treasurer.

Section 44la(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his committee. Section 44la(f) prohibits acceptance of any contribution made in violation of § 44la. According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. Although, according to § 431(8)(B)(vii), a loan by a bank made in

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accordance with applicable law and in the ordinary course of business is not a contribution, 2 U.S.C. § 431(8)(b)(vii)(I) provides that a bank loan shall be considered "a loan by each endorser or guarantor, in that porportion of the unpaid balance that each enforser or guarantor bears to the total number of endorsers or guarantors." See also 11 C.F.R. § 100.7(a)(1)(C).

In this matter, counsel has asserted that, because the loans were repaid fully, "there is currently no violation." This defense ignores the fact that a loan was made, that there were endorsements, and that the loans remained outstanding for a number of months, i.e., the $25,000 loan for four and one-half months and the $50,000 loan for forty-eight days. Because of the size of the endorsements, the Committee was in receipt of excessive contributions during the time the loan was unpaid.

The defense that the candidate himself could have borne a greater share of the repayment obligation to the extent that none of the other endorsers' obligation would exceed $1,000 does not address the allegations made. The candidate's ability to bear a repayment obligation is not at issue. The issue is the fact that the other endorsers assumed obligations in excess of the $1,000 limitation.

The asserted lack of intent to violate the Act is also not at issue. The issue is the knowledge on the part of the Committee that the above-named individuals were endorsing bank loans to the Committee.

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With respect to the receipt of Ms. Robichaux's direct contribution and her endorsement, counsel's reply indicates that the violation is greater than first perceived. It appears that the Committee accepted a $3,000 contribution from Ms. Robichaux, not a $1,000 contribution. According to the reports referred to above in the Statement of the Case, the Committee did not return the contribution until a month had elapsed. The evidence indicates that Mr. Hicks was still involved with the Committee at that time.

Based on the foregoing analysis, the General Counsel recommends that the Commission find probable cause to believe that the Committee and Mr. Hicks, as treasurer, violated 2 U.S.C. § 441a(f) in connection with the receipt of the $25,000 loan, the $50,000 loan, and Jolyn Robichaux's $3,000 contribution..

According to 2 U.S.C. § 441a(a)(4), a political committee which has been registered for at least six months, has received contributions from more than 50 persons, and has contributed to five candidates is a multicandidate committee and, according to 2 U.S.C § 441a(a)(2)(A), may contribute up to $5,000 per election to a candidate or his committee. The evidence from the responses of CANPAC's counsel indicates that CANPAC did not fulfill the third criterion and could only contribute up to $1,000 in accordance with 2 U.S.C. § 441a(a)(1)(A).

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Mr. Hicks was the treasurer of the Committee and the evidence indicates that his contact with the Committee was more than merely casual. He was still involved with the Committee when the Committee took three months to refund the excessive contribution to CANPAC. Based on the foregoing analysis, the General Counsel recommends that the Commission find probable cause to believe that the Committee and Mr. Hicks, as its treasurer, violated 2 U.S.C. § 441a(f) with respect to the contributions from CANPAC.

According to 2 U.S.C. § 434(b)(8), the amount and nature of outstanding debts owed by a political committee must be reported. See also 11 C.F.R. § 104.3(d). Section 434(a)(1) makes the treasurer responsible for the proper filing of reports of receipts and disbursements.

For the $25,000 loan, the Committee reports listed the lending institution, the endorsers, and the amounts endorsed, and enclosed a copy of the note involved in the loan. The reports did not disclose the terms of the loan on a Schedule C.

For the $50,000 loan, the Committee reports provided conflicting information as to whether the loan originated from the Independence National Bank or from the individuals listed as having been repaid. Although the Committee's most recent accounts of the loan prior to the First General Counsel's Report give the impression that the loan was from individuals, the repayments are in equal amounts. This gave the impression that the loans came to the Committee in one lump sum of $50,000, and

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statements by the Committee accountant indicate that the Independence National Bank was the source. No Schedule C filed by the Committee disclosed the terms of the $50,000 loan or the loans totalling that amount. The nature of the loan has been clarified in response to the reason to believe notification. This does not nullify the fact that the loans were reported improperly.

With reference to the $40,000 loan from the candidate, the Committee has disclosed the source as the Independence National Bank but did not disclose the terms of the loan on Schedule C.

Based upon the foregoing information, the General Counsel recommends that the Commission find probable cause to believe that the Committee violated 2 U.S.C. § 434(b)(8).

III. RECOMMENDATIONS

1. Find probable cause to believe that the Hayes for Congress Committee and Odell Hicks, as its treasurer, violated 2 U.S.C. 441a(f) in connection with the receipt of the $25,000 loan, the $50,000 loan, and Jolyn Robichaux's $1,000 contribution.

2. Find probable cause to believe that the Hayes for Congress Committee and Odell Hicks, as its treasurer, violated 2 U.S.C. § 441a(f) with respect to the contributions from CANPAC.

3. Find no probable cause to believe that the Hayes for Congress Committee and Odell Hicks, as treasurer, violated 2 U.S.C. § 441a(f) with respect to the September, 1983, contribution reported as being received from CANPAC.

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4. Find probable cause to believe that the Hayes for Congress Committee and Odell Hicks, as its treasurer, violated 2 U.S.C. § 434(b)(8) in connection with its failure to report adequately the terms of a $25,000 loan, a $50,000 loan, and a $40,000 loan to the Committee.

21 Dec 1985
Date

Charles N. Steele
General Counsel

2320674426

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 26, 1985

John W. Christy, Esquire
Coffield, Ungaretti, Harris & Slavin
3500 Three First National Plaza
Chicago, Illinois 60602

RE: MUR 1738
Illinois Public Action Council
CANPAC
J. Robert Kettlewell, as
treasurer

Dear Mr. Christy:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities and information supplied by your clients, the Federal Election Commission, on July 10, 1984, found reason to believe that CANPAC its treasurer violated 2 U.S.C. §441a(a)(1)(A), and instituted an investigation in this matter. On July 15, 1985, the Commission found reason to believe that CANPAC and its treasurer and the Illinois Public Action Council violated 2 U.S.C. § 441b(a).

After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your client's position on the issues and replying to the brief of the General Counsel. Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible. The General Counsel's brief and any brief which you submit will be considered by the Commission before proceeding to a vote of no probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commisison for an extension of time in which to file a brief. The Commission will not grant any extension beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Jonathan Levin, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Briefs(2)

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1738
Illinois Public Action Council)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter involves an allegation that the Illinois Public Action Council ("the Council"), an incorporated entity, violated 2 U.S.C. § 441b(a) by making a corporate contribution to the Hayes for Congress Committee ("the Hayes Committee"), the principal campaign committee of Charles Hayes for election to the House of Representatives.

The Hayes Committee's 1983 Year End Report disclosed a $3,500 contribution for the general election listed as being received from the Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council ("CANPAC") on September 27, 1983. Based on this information and information pertaining to a $4,500 contribution by CANPAC to the Hayes Committee during the primary, the Commission, on July 10, 1984, found reason to believe that CANPAC and David Sherbin, as its treasurer, violated 2 U.S.C. § 441a(a)(1)(A).

In response to the reason to believe finding, CANPAC asserted that it was a multicandidate committee. In order to prove this, it enclosed an affidavit disclosing that, between August and October 1982, it received contributions from fifty persons, thereby satisfying the contributor criterion of 2 U.S.C. § 441a(a)(4), the section defining "multicandidate political committee." A further review of CANPAC's reports, however,

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raised the question whether CANPAC had, in fact, satisfied one of the criteria, i.e., contributions to five candidates. Interrogatories were sent to CANPAC with respect to this issue. CANPAC's response indicated that its connected organization, the Council, made all but one of the disbursements to candidates listed on CANPAC's reports. The only contribution made by CANPAC itself was the June, 1983, contribution to the Hayes Committee.

On July 15, 1985, the Commission found reason to believe that the Council violated 2 U.S.C. § 441b(a). On August 22, this Office received a response from Robert Creamer, Executive Director of the Council in the form of an affidavit. Mr. Creamer's response appears to address the multicandidate committee issue again and argues that, even though the funds for support of candidates originated from the Council, CANPAC should be considered as the contributor. Mr. Creamer stated that Council canvassers inform both members and non-members of the Council's endorsements of certain candidates and that "the portion of [the Council's] outlay to support the canvassers which the Council estimates to be involved in contacting non-members" is calculated. Mr. Creamer states that "this amount is then billed to CANPAC and is recognized as an account receivable from CANPAC to the Council to be paid out of funds donated explicitly for that purpose to CANPAC ." Mr. Creamer characterizes this as a "contractual obligation" for services purchased from the Council by CANPAC. Despite this explanation, Mr. Creamer never specifically addressed the contribution of September 27, 1983.

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II. LEGAL ANALYSIS

Section 441b(a) of Title 2 prohibits a corporation from making a contribution or expenditure in connection with a federal election. It appears from the responses received by this Office that the contribution received by the Hayes Committee on September 27, 1983, was corporate in origin.

The Council has argued that the amount of such a disbursement by the Council is an "account receivable from CANPAC to the Council" and is not a contribution by the Council. As in AO 1984-24, however, the activities described involved initial disbursements of corporate funds for activities in furtherance of the election of federal candidates. Presumably, the basis for the Council's argument that the disbursements should be treated as "accounts receivable" is 11 C.F.R. § 114.10 which sets out the standard for the extension of credit by a corporation to a political committee. This regulation was not meant to apply to a situation such as the present matter where the political committee is connected to the corporation. As stated in AO 1984-24, "section 114.10 is intended to apply to commercial transactions made in the ordinary course of a corporation's business, where it extends credit as part of such a transaction to political purchasers on terms comparable to those for similar nonpolitical purchasers."

Based on the foregoing analysis, the General Counsel recommends that the Commission find probable cause to believe that the Illinois Public Action Council violated 2 U.S.C. § 441b(a).

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III. RECOMMENDATION

Find probable cause to believe that the Illinois Public Action Council violated 2 U.S.C. § 441b(a).

Date

Charles N. Steele
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council	)	MUR 1738
J. Robert Kettlewell, as treasurer	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter involves allegations that the Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council ("CANPAC") and J. Robert Kettlewell, as CANPAC's treasurer, made an excessive contribution to the Hayes for Congress Committee ("the Hayes Committee") and participated in the making of a corporate contribution to the Hayes Committee.

According to the 12 Day Pre-Special Primary Report of the Hayes for Congress Committee, the Hayes Committee received $4,500 from CANPAC on June 22, 1983, for the upcoming primary election. After the Hayes Committee was notified by the Commission's Reports Analysis Division that this was an excessive contribution, it returned $3,500 to CANPAC on September 26, 1983. According to the Hayes Committee's Year End Report, the Hayes Committee received a $3,500 contribution on September 27, 1983, from CANPAC for the general election.

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On July 10, 1984, the Commission found reason to believe that CANPAC and David Sherbin, as its treasurer, violated 2 U.S.C. § 441a(a)(1)(A).1/

CANPAC's response received on November 5, 1984, asserted that it was a multicandidate committee. In order to prove this, it enclosed an affidavit stating that, between August and October, 1982, it received contributions from fifty individuals, 49 of whom were not itemized because their contributions ranged in value from $1.00 to $37.50. A further review of CANPAC's reports, however, raised the question of whether CANPAC had, in fact, satisfied one of the other criteria, i.e., contributions to five candidates. Interrogatories were sent to CANPAC with respect to this issue. CANPAC's response indicated that its connected organization made all but one of the disbursements to candidates listed on its reports. According to the response, the only contribution made by CANPAC itself was the June, 1983, contribution to the Hayes Committee.

On July 15, 1985, the Commission found reason to believe that CANPAC and J. Robert Kettlewell, as its treasurer, violated 2 U.S.C. § 441b(a) in connection with the September contribution. On August 22, 1985, this Office received a response from Robert Creamer, the executive Director of the Illinois Public Action Council, in the form of an affidavit. Mr. Creamer's response appears to address the multicandidate committee issue again and

1/ On May 2, 1985, CANPAC amended its Statement of Organization to designate Mr. Kettlewell as its treasurer.

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argues that, even though the funds for support of candidates originated from the Council, CANPAC should be considered as the contributor. Mr. Creamer stated that Council canvassers inform both members and non-members of the Council's endorsements of certain candidates and that "the portion of [the Council's] outlay to support the canvassers which the Council estimates to be involved in contacting non-members" is calculated. Mr. Creamer characterizes this as a "contractual obligation" for services purchased from the Council by CANPAC. Despite this explanation, Mr. Creamer never specifically addressed the contribution of September 27, 1983.

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II. LEGAL ANALYSIS

Section 441a(a)(1)(A) of Title 2 prohibits contributions over $1,000 per election by a person to a candidate or his committee. A political committee is a person under 2 U.S.C. § 431(11). According to 2 U.S.C. § 441a(a)(4), however, a political committee which has been registered for at least six months, has received contributions from more than 50 persons, and has contributed to five candidates is a multicandidate committee and, according to U.S.C. § 441a(a)(2)(A), may contribute up to $5,000 per election to a candidate or his committee. Section 441b(a) of Title 2 prohibits a corporation from making a contribution.

The response of CANPAC's counsel to the interrogatories sent after the July, 1984, reason to believe finding indicates that no contributions prior to the June, 1983, contribution originated

from CANPAC. The arrangements for contributions by the Council through CANPAC were further explained in the Council's response to the reason to believe finding made in July, 1985.

It appears from the responses received by this Office that the contribution received by the Hayes Committee on September 27, 1983, was corporate in origin. It is also apparent that CANPAC, by virtue of having made an arrangement whereby corporate funds were advanced by the Council, participated in the making of a corporate contribution to the Hayes Committee. The Council has argued that the amount of such a disbursement by the Council is an "account receivable from CANPAC to the Council" and is not a contribution by the Council. As in AO 1984-24, however, the activities described involved initial disbursements of corporate funds for activities in furtherance of the election of federal candidates. Presumably, the basis for the Council's argument that the disbursements should be treated as "accounts receivable" is 11 C.F.R. § 114.10 which sets out the standard for extention of credit by a corporation to a politcal committee. This regulation was not meant to apply to a situation such as the present matter where the political committee is connected to the corporation. As stated in AO 1984-24, "section 114.10 is intended to apply to commercial transactions made in the ordinary course of a corporation's business, where it extends credit as part of such a transaction to a political purchaser on terms comparable to those for similar non political purchasers."

Based on the foregoing analysis, the General Counsel recommends that the Commission find probable cause to believe

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that CANPAC and J. Robert Kettlewell, as its treasuer, violated 2 U.S.C. §§ 441a(a)(A) and 441b(a).

III. RECOMMENDATIONS

1. Find probable cause to believe that the Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council Federal Campaign Committee of the Illinois Public Action Council and J. Robert Kettlewell, as its treasurer, violated 2 U.S.C. § 441a(a)(1)(A).

2. Find probable cause to believe that the Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council and J. Robert Kettlewell, as its treasurer, violated 2 U.S.C. § 441b(a).

21 Dec 95
Date

Charles N. Steele
General Counsel

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OFFICE OF THE FEC
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

85 DEC 2 P5:14

SENSITIVE

November 29, 1985

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

SUBJECT: Request for Extension MUR 1738

On October 22, 1985, this Office sent probable cause briefs to eleven endorsers of loans to the Hayes for Congress Committee. On November 8, 1985, this Office received a request for an extension of time from counsel for respondent Albert Johnson. The extension request was accompanied by a request for a copy of the General Counsel's Factual and Legal Analysis and the reply of the previous counsel. This request was made because present counsel was unable to obtain these materials from previous counsel.

On November 15, 1985, this Office sent a letter to counsel granting an extension until November 21. Enclosed with this letter were the Factual and Legal Analysis for Mr. Johnson and a copy of the relevant portions of former counsel's reply.

On November 21, this Office received a "Motion for Further Extension of Time" which was accompanied by an argument in support of the motion and letters of representation from five more endorsers. Counsel claims that he did not receive the letter and materials until November 20. Claiming that he could not prepare a "full, comprehensive and adequate defense" until the receipt of such materials, he is requesting an extension of four weeks time from November 20, i.e., December 18, 1985.

In a phone conversation with Mr. Friedman, an OGC staff member stated that this Office would recommend that the Commission grant no extension. After explaining the reasons for this recommendation, counsel stated that he could send a response which would reach the Commission by December 6.

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There are a number of reasons for refusing to grant an extension. First, counsel has had an opportunity to see the legal arguments of the case pertaining to individual endorsers discussed in the General Counsel Brief sent to Mr. Johnson. Second, in view of the fact that the brief has been in Mr. Johnson's possession since the end of last month, counsel has already had a de facto extension of fifteen days. Third, the violations by the endorsers are clear on their face and were admitted in the response to the reason to believe finding. Former counsel has already presented the mitigating factors.

Based on the foregoing analysis, the Office of the General Counsel recommends the denial of any further time for the filing of reply briefs by counsel for the respondent endorsers.

Recommendations

1. Deny counsel for the endorsers the extension of any further time in which to respond to the General Counsel's Briefs in MUR 1738.

2. Approve and send the attached letter.

Attachments
1. Request for extension
2. Letter to counsel for respondents

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/ CHERYL A. FLEMING

DATE: DECEMBER 3, 1985

SUBJECT: OBJECTION - MUR 1738 - Memorandum to the Comm.

The above-named document was circulated to the Commission on Tuesday, December 3, 1985, 11:00.

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

Commissioner Aikens	
Commissioner Elliott	X
Commissioner Harris	
Commissioner Josefiak	X
Commissioner McDonald	
Commissioner McGarry	

This matter will be placed on the Executive Session agenda for Tuesday, December 10, 1985.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/ CHERYL A. FLEMING

DATE: DECEMBER 4, 1985

SUBJECT: OBJECTION - MUR 1738 - Memorandum to the Comm.

The above-named document was circulated to the Commission on Tuesday, December 3, 1985, 11:00.

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

Commissioner Aikens	X
Commissioner Elliott	X
Commissioner Harris	
Commissioner Josefiak	X
Commissioner McDonald	
Commissioner McGarry	

This matter will be placed on the Executive Session agenda for Tuesday, December 10, 1985.

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Coffield Ungaretti Harris & Slavin
3500 Three First National Plaza, Chicago, Illinois 60602
Telephone 312/977-4400, Cable: CUHSLAW, Telex: 270286

RECEIVED AT THE FEC
GCC#9183
85 DEC 11 A8:31

December 9, 1985

BY EXPRESS MAIL

Mr. Jonathan Levin
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1738
Illinois Public Action Council - CANPAC

Dear Mr. Levin:

This letter relates to the request by the Federal Election Commission that our client, CANPAC, and its connected organization, the Illinois Public Action Council (the "Council"), furnish a brief responding to the brief received recently from the General Counsel's office regarding the above-referenced matter. J. Robert Kettlewell resigned from his positions as Treasurer of CANPAC and Chief Financial Officer of the Council early in December. As a result, on behalf of CANPAC and the Council, I hereby request an extention of time in which to file a responsive brief.

Sincerely,

John Christy

John W. Christy

JWC:pam

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FEDERAL ELECTION COMMISSION
GENERAL COUNSEL
85 DEC 11 P9:47

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Coffield Ungaretti Harris & Slavin
3500 Three First National Plaza, Chicago, Illinois 60602
Telephone 312/977-4400, Cable: CUHSLAW, Telex: 270266

GCC# 9223
MUR 1738

December 11, 1985

FEDERAL EXPRESS

Mr. Jonathan Levin
Federal Election Commission
Washington, D.C. 20463

Re: CANPAC

Dear Mr. Levin:

Enclosed is an Amended Statement of Organization listing Robert Creamer as the new Treasurer of CANPAC. Please stamp the duplicate copy of this letter to verify your receipt of the enclosed material and then return it to the undersigned in the enclosed self-addressed stamped envelope.

Sincerely,

John W. Christy

JWC:pam
Enclosures

cc: Robert Creamer

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FEDERAL ELECTION
GENERAL COUNSEL
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STATEMENT OF ORGANIZATION

(see reverse side for instructions)

1. (a) Name of Committee (in Full) ☐ Check if name or address is changed.
Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council

2. Date December 11, 1985

(b) Address (Number and Street)
220 South State Street, Suite 714

3. FEC Identification Number
C00160655

(c) City, State and ZIP Code
Chicago, IL 60604

4. Is this an amended Statement? ☒ YES ☐ NO

5. TYPE OF COMMITTEE (check one):

☐ (a) This committee is a principal campaign committee. (Complete the candidate information below.)

☐ (b) This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Name of Candidate	Candidate Party Affiliation	Office Sought	State/District

☐ (c) This committee supports/opposes only one candidate _____ and is NOT an authorized committee.
(name of candidate)

☐ (d) This committee is a _____ committee of the _____ Party.
(National, State or subordinate) (Democratic, Republican, etc.)

☐ (e) This committee is a separate segregated fund.

☐ (f) This committee supports/opposes more than one Federal candidate and is NOT a separate segregated fund nor a party committee.

6. Name of Any Connected Organization or Affiliated Committee	Mailing Address and ZIP Code	Relationship

If the registering political committee has identified a "connected organization" above, please indicate type of organization:

☐ Corporation ☐ Corporation w/o Capital Stock ☐ Labor Organization ☐ Membership Organization ☐ Trade Association ☐ Cooperative

7. Custodian of Records: Identify by name, address (phone number – optional) and position, the person in possession of committee books and records.

Full Name	Mailing Address and ZIP Code	Title or Position

8. Treasurer: List the name and address (phone number – optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name	Mailing Address and ZIP Code	Title or Position
Robert Creamer	CANPAC 220 South State Street Suite 714 Chicago, IL 60604	Treasurer

9. Banks or Other Depositories: List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.	Mailing Address and ZIP Code

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

Robert Creamer — Type or Print Name of Treasurer

SIGNATURE OF TREASURER

12/11/85 — Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §437g

For further information contact: Federal Election Commission, Toll Free 800-424-9530, Local 202-523-4068

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1738
Albert W. Johnson, et al.)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of December 10, 1985, do hereby certify that the Commission decided by a vote of 5-0 to grant counsel for the endorsers an extension of time, until December 19, 1985, in which to respond to the General Counsel's Briefs in MUR 1738.

Commissioners Aikens, Elliott, Harris, Josefiak, and McDonald voted affirmatively for the decision. Commissioner McGarry was not present.

Attest:

12-12-85
Date

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

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J. Levin GCC 9312

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85 DEC 30 A10:20

HOWARD C. MEDLEY, SR.
251 East 95th Street
Chicago, Illinois 60619

December 16, 1985

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

RE: MUR 1738

Please consider this a letter of representation pursuant to 11 C.F.R. §111.23. My counsel in the above proceeding is:

Earl L. Neal
Earl L. Neal & Associates
111 W. Washington - Suite 1010
Chicago, Illinois 60602

(312) 641-7144

I authorize Earl L. Neal to receive any and all notifications and other communications from the Commission on my behalf.

Very truly yours,

Howard C. Medley, Sr.

Howard C. Medley, Sr.
Respondent

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GENERAL COUNSEL

cc: Mr. Charles Steele,
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 18, 1985

Richard F. Friedman, Esquire
Earl L. Neal & Associates
111 West Washington Street
Suite 1010
Chicago, Illinois 60602

Re: MUR 1738
Albert Johnson, et al.

Dear Mr. Friedman:

This is in reference to your letter requesting further time to respond to the General Counsel's Briefs sent to your clients. After considering the circumstances of this matter, the Commission has decided to grant an extension of time for reply. The reply briefs are due, therefore, on December 19, 1985.

If you have any questions, please contact Jonathan Levin, the attorney handling this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

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GCC#9243

BEFORE THE
FEDERAL ELECTION COMMISSION

IN THE MATTER OF	)	
	)	
AL JOHNSON, EDWIN C. BERRY, JACOBY DICKENS, HOWARD MEDLEY, SR., ERNEST BUSH, ROBERT VAUGHN, SID ORDOWER, CHATMAN C. WAILES, JR., JOLYN H.ROBICHAUX, and JAMES WRIGHT.	)	No. MUR 1738

RECEIVED
FEDERAL ELECTION COMMISSION
GENERAL COUNSEL
85 DEC 20 P2:33

RESPONDENTS' REPLY TO
BRIEF OF GENERAL COUNSEL
WITH RESPECT TO PROBABLE CAUSE

NOW COME THE ABOVE NAMED RESPONDENTS, by EARL L. NEAL, their attorney, and in response to the brief of the General Counsel, file their response and objections to the recommendation that the Federal Election Commission find probable cause. In support hereof, the respondents state:

FACTS

This case arises out of two bank loans made to the election campaign of Representative Charles A. Hayes. The respondents were endorsers of the notes evidencing the loans. The loans were repaid within two and five months, respectively, and the respondents contributed no funds to the Hayes campaign. The Federal Election Commission (the "Commission"), on July 10, 1984, found "reason to believe" that the respondents had violated 2 U.S.C.A. §441a(a)(1)(A) in that the aliquot share of their endorsements exceeded the $1,000 contribution limit.

The first loan was made by Independence Bank of Chicago ("Independence Bank") July 13, 1983 in the amount of $25,000 to the Hayes for Congress Committee. In addition to Hayes, the note

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was endorsed by respondents Ernest Bush, Robert Vaughn, Sid Ordower, James Wright, Chapman C. Wailes, and Jolyn H. Robichaux. The aliquot share of the endorsers was considered to be 1/7th of the total, or $3,571.43. This loan was repaid November 29, 1983, and thus was outstanding 139 days.

The second loan was made July 21, 1983, also by Independence Bank. Charles A. Hayes was a signer, and the note was endorsed by respondents Addie Wyatt, Edwin C. Berry, Al Johnson, Jacoby Dickens, and Howard Medley, Sr. The loan was outstanding for 53 days, having been repaid September 12, 1983. The aliquot share of each of the endorsers was $8,333.33.

None of the respondents was called upon to pay any part of the notes. Their contingent liability expired when the notes were paid. Approximately one year later, the Commission, upon recommendation by the General Counsel, issued its finding that there was "reason to believe" that the endorsements were in violation of the Federal Election Campaign Act of 1971 (the "Act"). The respondents filed their response the following month.

For 15 months thereafter, the General Counsel took no action with respect to the Commission's finding. Then, on October 22, 1985, the General Counsel issued a brief recommending that the Commission find "probable cause to believe" that the respondents violated the Act.

The violation alleged is the $1,000 per person per candidate campaign contribution limit found in §315 of the Act, 2 U.S.C. §441a(a)(1)(A). Although the respondents contributed no cash or

other tangible good or service, the General Counsel recommended that the endorsement be considered a campaign contribution by virtue of §301 of the Act, 2 U.S.C. §431(8)(B)(vii)(I). That section provides that a "contribution" includes a loan to a candidate. Such a loan "shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors."

WHERE NO TANGIBLE CONTRIBUTION IS MADE, IT IS A VIOLATION OF EQUAL PROTECTION AND SUBSTANTIVE DUE PROCESS TO CONSIDER AN ENDORSEMENT OF A NOTE TO BE A CONTRIBUTION

In the present case, nothing tangible passed between the respondents and the candidate or his campaign committee. The respondents contributed no cash. The only funds involved were those lent by Independence Bank. These funds were repaid by the Hayes For Congress Committee within 53 and 139 days, respectively. The finding of the Commission, and the recommendation of its General Counsel, make no charge that any other funds, or any tangible good or service, was contributed by the respondents. At most, then, the respondents had a contingent liability to Independence Bank and this contingent liability had a duration of no greater than 139 days.

The purpose of the Act is to prohibit tangible support in federal elections exceeding $1,000 by any person for any candidate. Thus, under the Act, cash contributions exceeding the limit are prohibited. Similarly, the donation of goods or

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services at less than actual cost are also prohibited if the value of the contribution is greater than the limit.

At the same time, it is not a violation of the Act for a person to promise, or make a contract, to make a tangible contribution. As long as the promise or contract is executory -- regardless of the value of the cash, goods or services -- no violation occurs. Under the statute a promise or a contract only ripens into a violation when the actual contribution is made. Thus, for example, a grocer may execute a contract to deliver to the candidate food having a value of $100,000 in return for a payment of $10,000. As long as the contract is executory, no violation exists; when the food order is delivered, a contribution is considered to have occurred based on "the sale ...at a charge less than the normal comparable charge...." §431(8)(b)(3). Similarly, a campaign pledge to contribute a certain amount, even if based on a legally enforceable written document, would not ripen into a contribution until the contribution was actually made.

The intent of Congress not to penalize contingent or executory contributions is clear from committee reports and legislative action amending the original Act. As enacted, effective in 1971, §301 of the Act included in the definition of contributions "a contract, promise or agreement, express or implied, whether or not legally enforceable, to make a contribution...." In the 1980 amendments to the Act, implemented by P.L. 96-187, 93 Stat. 1339, effective January 8, 1980, the quoted language was eliminated. The reason for eliminating

executory contracts and contingent liabilities from the definition of "contribution" was described by the Committee reporting the bill which was to become P.L. 96-187. House Report No. 96-422 states (at p. 7):

> "The provision in the current Act making a written contract, promise, or pledge a contribution is deleted. Requiring the reporting of pledges led to double reporting and often resulted in inflated contribution figures. By deleting this phrase, pledges will be reported only when the money or goods or services actually have been received by the Committee." (Emphasis added.)

Despite the amendment, the provision of the original Act making a note endorsement a contribution was retained. As a result, promises to contribute, even if in writing and clearly enforceable, are not considered to be campaign contributions, no matter how definite the obligation upon the promisor. The act of making a promise to pay, regardless of the amount, is not considered a contribution. A contribution only occurs when the promise ripens into the delivery of cash. In contrast, the present respondents are alleged to have made a contribution despite the fact that they made no contribution of cash. Their liability, unlike that of the promissor in the foregoing example, was contingent only. No definite liability to the campaign committee was established by their endorsement. It would ripen into a liability, if at all, only upon the default of the primary obligor and the enforcement of the note by Independence Bank. Moreover, cash would be forthcoming from the endorsers only if the bank were able to collect upon the endorsement. In such a

case, the liability would only be to the bank, not to the candidate or his committee.

Although the respondents' liability was of a lesser order than that of a promissor, the respondents are considered under the statute to have made a contribution whereas a promissor is not.

The imposition of liability upon the endorsers of note is a violation both of equal protection and of substantive due process. Equal protection requires that "all persons similarly circumstanced shall be treated alike." F.S. Royster Guano Co. v. Virginia, 253 U.S. 412, 415 (1920); Plyler v. Doe, 547 U.S. 202, 216 (1982). (The foregoing cases were decided under the 14th Amendment, but, "equal protection analysis in the 5th Amendment area is the same as that under the 14th Amendment. Buckley v. Valeo, 424 U.S. 1, 93 (1976).)

Because the Act affects and limits the exercise of the 1st Amendment right to freedom of association, a "fundamental right" is involved. Therefor , any restriction and classification affecting the right to exercise such freedom is subject to the "strict scrutiny" test. "In view of the fundamental nature of the right to associate, governmental 'action which may have the effect of curtailing the freedom to associate is subject to the closest scrutiny.'" Buckley v. Valeo, 424 U.S. at 25. The Act's classification of endorsements as contributions can only be sustained if it furthers a vital governmental interest, Buckley v. Valeo, 424 U.S. at 94, and if it "has been precisely tailored to serve a compelling governmental interest." Plyler v. Doe, 457

U.S. at 217. The burden is upon the government to justify the restriction and classification under this standard. In the present case, it is far from established that there should be a distinction between a person's endorsing notes upon loan made by national banks and those making a contract or promise to make a campaign contribution. It can hardly serve a compelling governmental interest to penalize persons having at best a contingent liability while at the same time ignoring persons who have a firm and definite liability to a candidate's campaign.

This dissimilar treatment of equals results in a violation of equal protection. The respondents in this case are singled out as contributors, unlike others whose liability is not contingent but executory. As pointed out, promissors who make pledges or other agreements to contribute campaign funds are not considered contributors while their promises are executory. On the other hand, the respondents, whose liability on their endorsements were both contingent and executory, are considered to have made contributions.

The standard of review for the purposes of substantive due process is similar. The restriction and limits imposed by statute may not be arbitrary and irrational in relation to the purpose to be accomplished. Since the present statute restricts the exercise of a fundamental right, the methods chosen are subject to strict scrutiny. Hodel v. Indiana, 452 U.S. 314 (1981); Schweiker v. Wilson, 450 U.S. 221 (1981). In the present case, the goal of the Act is to preserve the electoral process and attain more equitable access by establishing a campaign

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contribution limit. But, it is arbitrary and unreasonable to subject contingent liabilities (which may never ripen into actual campaign support) to the contribution limit, while permitting unfettered support by others who have made firm, enforceable obligations to pay.

THE ENDORSEMENT OF NOTES IN THE CIRCUMSTANCES OF THIS CASE CREATES NO MORE THAN A NOMINAL CONTRIBUTION

In determining whether to find that probable cause of a statutory violation has occurred, the Commission should consider the nature and extent of the respondents' activities. The endorsements were not made willfully and knowingly and resulted in at best a technical contribution wherein no personal funds of the respondents were contributed.

The nominal nature of the respondents' contributions is clear from the nature of the liability created and the length of time that liability existed. Although as a legal matter, any of the endorsers could be called upon to pay the note in the event of a default, the respondents' liability was contingent only. The Hayes For Congress Committee was the primary debtor to which Independence Bank looked for repayment. As contemplated, the loans were quickly repaid without any liability on the part of any of the respondents whatsoever.

The most any respondent could be considered to have contributed was the value of his or her contingent liability. This is, at best, an intangible contribution to the candidate, not capable of precise monetary valuation. Thus, the

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contribution was of indeterminate monetary value. Rather than an arbitrary 1/6th or 1/7th share of the loan, the respondents' individual contribution was the indeterminate risk that the contingent liability would ripen into a certain liability.

A further consideration establishing the nominal nature of the contribution was the length of time each loan was outstanding. The $50,000 and $25,000 notes were repaid within 53 and 139 days, respectively. The ability to pay of the primary debtor, and the limited risk of recourse to the endorsers, is indicated by the short duration of the loans.

Finally, the Commission should weigh the extent of the respondents' contribution against that of other similar persons with executory promises to pay. As described in the foregoing section, other promises are not considered contributions until funds are actually delivered. Thus, for example, a contributor who executes a note promising to pay a candidate or one who delivers a similar written, enforceable pledge to pay money is not considered to be a contributor, no matter how large a contribution may be promised. On the other hand, the mere endorsement of the note and the creation of a contingent liability is immediately and automatically considered a contribution regardless of whether an actual liability ultimately results.

Equitable principles demand that the respondents' activities be considered a technical and nominal contribution for which no further action should be taken.

CONCLUSION

For the foregoing reasons, the Commission should find that there is no probable cause to believe that a violation of the Act has occurred.

Respectfully submitted,

AL JOHNSON, EDWIN C. BERRY, JACOBY DICKENS, HOWARD MEDLEY, SR., ERNEST BUSH, ROBERT VAUGHN, SID ORDOWER, CHAPMAN C. WALES, JOLYN H. ROBICHAUX, and JAMES WRIGHT

By_____
Earl L. Neal, their attorney

EARL L. NEAL
EARL L. NEAL & ASSOCIATES
111 W. Washington St.
Suite 1010
Chicago, Illinois 60602
(312) 641-7144

2204067457

BEFORE THE
FEDERAL ELECTION COMMISSION

IN THE MATTER OF	)
	)
ALBERT W. JOHNSON, EDWIN C. BERRY, JACOBY DICKENS, HOWARD MEDLEY, SR., ERNEST BUSH, ROBERT VAUGHN, SID ORDOWER, CHATMAN C. WAILES, JR., JOLYN H. ROBISHAUX, and JAMES WRIGHT.	) MUR 1738

NOTICE OF FILING
AND
PROOF OF SERVICE

RICHARD F. FRIEDMAN, an attorney representing respondents, certifies that on Wednesday, December 18, 1985, he transmitted the within Respondents' Reply to Brief of General Counsel with Respct to Probable Cause upon the Commission Secretary for filing and served it upon the General Counsel to the Federal Election Commission, both at Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463 by placing the same for next day delivery with Federal Express.

Richard F. Friedman

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GCC 9311

FEC
SECRETARY

05 DEC 30 AM 8:20

ADDIE L. WYATT
8901 S. Chappel Avenue
Chicago, Illinois 60617

November 7, 1985

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

Re: MUR 1738

Please consider this a letter of representation pursuant to 11 C.F.R. §111.23. My counsel in the above proceeding is:

Earl L. Neal
Earl L. Neal & Associates
111 W. Washington St.
Suite 1010
Chicago, Illinois 60602
(312) 641-7144

I authorize Earl L. Neal to receive any and all notifications and other communications from the Commission on my behalf.

Very truly yours,

Addie L. Wyatt

Addie L. Wyatt
Respondent

cc: Mr. Charles Steele
General Counsel

05 DEC 30 PM 12:42

RECEIVED
FEC MAIL CENTER
GENERAL COUNSEL

9 3 1 4 0 7 4 4 5 9

Charles Hayes

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FEC
GCC#9537
86 JAN23 AM : 44

Democrat
First District

Chair: James L. Wright

Co-chairs: Peggy A. Montes
Sid Ordower

Hayes for Congress Committee
4859 South Wabash
Chicago, Ill. 60615
373-2200

January 17, 1986

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
86 JAN 23 P3:15

Attorney Johnathan Levine
General Counsel
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: Charles Hayes for Congress Committee

Dear Attorney Levine:

The purpose of this letter is to inform you that during the period (approximately July and August 1983) that Odell Hicks Jr. served as treasurer of the Hayes for Congress Committee. He did not actively function in the position of treasurer. His involvement with the Hayes for Congress Committee was limited, and he was the committee treasurer in name only. Due to Mr. Hicks' inactivity, Mr. Lawrence Ragland assumed the position of treasurer and officially became the treasurer of the Hayes for Congress Committee.

Sincerely,

Charles A. Hayes

CHARLES A. HAYES
Member of Congress
First Congressional District

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Paid for by Hayes for Congress Committee

® 638

QCH 9591

Coffield Ungaretti Harris & Slavin
3500 Three First National Plaza, Chicago, Illinois 60602
Telephone 312/977-4400, Cable: CUHSLAW, Telex: 270286

Via Federal Express

January 28, 1986

RECEIVED
FEDERAL ELECTION COMMISSION
86 JAN 29 AM 11:30

Mr. Jonathan Levin
Federal Election Commission
999 E. Street
Washington, D.C. 20463

Re: Illinois Public Action Council - MUR 1738

Dear Johnny:

Enclosed are 13 copies of a brief by the Illinois Public Action Council in response to the brief of the Office of the General Counsel in connection with MUR 1738.

I would request that you please forward ten copies of this brief to the Secretary of the Commission.

Please acknowledge your receipt of the enclosed material by stamping the enclosed duplicate copy of this letter and returning it to the undersigned in the enclosed self-addressed stamped envelope.

If you should have any questions or comments with respect to any of the foregoing, please feel free to call (collect) the undersigned.

Sincerely,

John W. Christy

JWC:rt
Enclosures

2204067449451

MUR #9591

BEFORE THE FEDERAL ELECTION COMMISSION

In The Matter of	)	
	)	
Illinois Public Action Council	)	MUR 1738
	)	
Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council	)	
	)	
J. Robert Kettlewell, as treasurer*	)	

RECEIVED
FEDERAL ELECTION COMMISSION
GENERAL COUNSEL
86 JAN 29 A11:30

ILLINOIS PUBLIC ACTION COUNCIL'S BRIEF

I. STATEMENT OF THE CASE

This matter involves an allegation that the Illinois Public Action Council, an Illinois not-for-profit, membership organization (the "Council"), its separate segregated fund, the Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council ("CANPAC") and the Treasurer of CANPAC violated 2 U.S.C. §441b(a) and 2 U.S.C. §441a(a)(1)A by making or participating in the making of a corporate contribution to the Charles Hayes for Congress Committee (the "Hayes Committee") and an excessive contribution to the Hayes Committee.

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* By letter dated December 11, 1985, CANPAC informed the Commission that J. Robert Kettlewell had been replaced as Treasurer by Robert Creamer.

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The Council operates a door-to-door canvass to recruit new members and solicit contributions from both new and existing members in several cities in the State of Illinois every evening. During periods that are near federal elections, the Council canvassers inform Council members of the candidate endorsements made by the Council's separate segregated fund, CANPAC. In connection with their recruitment efforts, the Council canvassers also contact non-members of the Council. Pursuant to an agreement between the Council and CANPAC, on behalf of CANPAC the Council canvassers inform those non-members of the Council of the CANPAC candidate endorsements. In order to bill CANPAC for the services rendered by Council canvassers, the Council calculates the portion of its outlay to operate the canvassers which is involved in contacting non-members of the Council. This amount is then billed to CANPAC and is recognized as an account receivable from CANPAC to the Council to be paid out of funds donated explicitly for that purpose to CANPAC. At the time the Council expenditures for contacting non-members is made, an obligation of equal amount is immediately recognized by CANPAC to the Council. CANPAC thus contracted with the Council to engage in the activities which under the law must qualify as campaign contributions.

Pursuant to the agreement between the Council and CANPAC, the Council extended credit to CANPAC, but CANPAC had a contractual obligation to pay for the services it had purchased and, as

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a consequence, was responsible for the expenditures in question.

On June 13, 1983, CANPAC reported the receipt of a general contribution of $5,000 from the United Auto Workers Political Action Committee (the "UAWPAC"). On June 22, 1983, the Hayes Committee received a contribution of $4,500 from CANPAC for the upcoming primary election. After the Hayes Committee was notified by the Federal Election Commission that this was an excessive contribution, it returned $3,500 to CANPAC on September 26, 1983. One day later, on September 27, 1983, based on the premise that it was a multi-candidate committee, CANPAC returned the money, making a $3,500 contribution to the Hayes Committee. Since the aggregate amount of contributions by CANPAC to the Hayes Committee during the period June 13, 1983 through September 27, 1983 totalled $4,500, CANPAC contributions to the Hayes Committee aggregated $500 less than the contribution CANPAC received from UAWPAC.

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II. LEGAL ANALYSIS

Section 441b(a) prohibits a corporation from making a contribution or expenditure in connection with a federal election. The General Counsel's brief alleges that CANPAC's contributions to certain candidates were actually corporate contributions made directly from the Council, and that therefore CANPAC is not a multi-candidate committee since it failed to make contributions to five persons. However, to argue merely that Council

canvassers were compensated out of Council revenues and that therefore candidate contributions came directly from the Council is to misrepresent what actually occurred. CANPAC entered into an agreement with the Council to use the services of Council canvassers to communicate CANPAC endorsements to non-members of the Council. Pursuant to CANPAC's agreement with the Council, CANPAC would reimburse the Council for the canvassing services subsequent to the actual furnishing of such services by the Council canvassers. Such an extension of credit by the Council to a political committee is expressly approved in Regulation §114.10.

The General Counsel's brief states that §114.10 was not meant to apply to a situation where the political committee is the separate segregated fund of the connected corporation. Such an interpretation would unfairly penalize corporations such as the Council which provide canvassing services ideally suited to the needs of a political committee attempting to spread the message of its endorsed candidates to as wide an audience as possible. If it is perfectly permissible for a candidate's political committee to contract on a credit basis to use the Council's canvassing services, it should not be impermissible for the Council's separate segregated fund to contract with its connected organization to communicate its candidate endorsements beyond its own membership.

In support of its narrow interpretation of §114.10, the General Counsel's brief refers to AO 1984-24: "Section 114.10 is intended to apply to commercial transactions made in the ordinary course of a corporation's business, where it extends credit as part of such a transaction to political purchasers on terms comparable to those for similar non-political purchasers." However, nowhere in AO 1984-24 does it either state or imply that the regulation was not "meant" to apply to a situation where the political committee is the separate segregated fund of the connected corporation. It would be highly unfair to single out the separate segregated funds of politically oriented membership organizations such as the Council, and claim that they are exempt from §114.10 and therefore forbidden from using the canvassing services of their connected organizations.

In fact, the Council has contracted out the services of the canvassers to other businesses on a credit basis in the past. The following chart lists: (i) the entities which have contracted with the Council to use the services of the canvassers on a credit basis; (ii) the periods during which the canvassers performed services for the applicable entity; and (iii) the dates on which the Council was reimbursed for such services and the amount of such reimbursement.

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Name of Entity	Date Services Performed	Date and Amount of Payment for Services
Hayes for Congress Committee	June 15-July 15, 1983	July 22, 1983 $4,000
Citizens Labor Energy Coalition	August 1984	September 1984 $850

It is ironic that the General Counsel's brief should allege that the disbursements for candidates listed on CANPAC's reports were corporate in origin. Incorporated membership organizations such as the Council do not fit squarely within the §441b(a) prohibitions regarding corporate contributions or expenditures. Council revenues are not generated from the manufacture and sale of any type of product. Rather, all of the Council's revenues used in funding the canvass operations come from individual donations of members obtained through the solicitations of canvassers. While Council canvassers are not required to follow the solicitation regulations set forth in §114, nevertheless, all of the Council's operating revenues are generated from individual contributions, much as is the case when CANPAC solicits members of the Council's separate segregated fund for contributions. Since all Council members may become CANPAC members, in most cases the individuals contributing money to the Council are the same persons who contribute money to CANPAC. To allege that the Council violated §441b(a) because it paid canvassers initially out of contributions to the Council, when pursuant to the Agreement CANPAC was obligated to reimburse the Council from contribu-

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tions to CANPAC, is to twist the regulations governing contributions to federal candidates in a manner never intended by the framers of such regulations.

Finally, the General Council's brief indicates that the $3,500 contribution received by the Hayes Committee from CANPAC on September 27, 1983 was corporate in origin and resulted in an excessive contribution. This conclusion is clearly erroneous as can be determined from an examination of the election reports filed by CANPAC. The contribution of $3,500 made by CANPAC on September 27, 1983 was actually a return of the money which the Hayes Committee had returned to CANPAC on September 26, 1983 under the erroneous belief that CANPAC was not a multi-candidate committee. Pursuant to its Agreement with the Council to use the canvassing services on a credit basis, CANPAC was a multi-candidate committee as of June 22, 1983, having made prior contributions to more than five candidates. Thus, the CANPAC contribution to the Hayes Committee, which the General Council's brief alleges was corporate in origin and excessive, was actually contributed out of funds which CANPAC had legally received as a contribution from UAWPAC subsequent to CANPAC's qualification as a multi-candidate committee.

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III. RECOMMENDATION

Do not find probable cause to believe that the Council, CANPAC or its Treasurer violated either 2 U.S.C. §441b(a) or 2 U.S.C. §441a(a)(1)A.

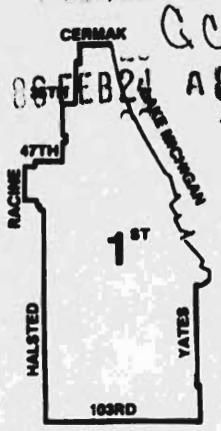
Date: January 28, 1986

John W. Christy

2304057744569

Charles Hayes COMMITTEE

1st Congressional District
4859 South Wabash Avenue
312/373-2200



FEC
C.C.# 9796
86 FEB 24 A8:14
86 FEB 24 A9:53

February 14, 1986

Mr. Jonathan Levin
Attorney
Federal Election Commission
999 E Street, N. W.
Washington, D. C. 20463

Dear Mr. Levin:

Please be advised that Mr. James L. Wright has been designated by me as Treasurer of the Hayes for Congress Committee.

Should you have any questions or need further information, please do not hesitate to contact me.

Sincerely,

Charles A. Hayes

CHARLES A. HAYES

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Paid for by 1st Congressional District Charles Hayes Committee

BEFORE THE FEDERAL ELECTION COMMISSION

Submitted Late

In the Matter of)
)
Hayes for Congress Committee,) MUR 1738
et al.)

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SENSITIVE

GENERAL COUNSEL'S REPORT

EXECUTIVE SESSION

MAY 13 1986

I. BACKGROUND

This matter involves excessive contributions made to the Hayes for Congress Committee ("the Committee") by a political action committee and by various individuals who endorsed loans to the Committee. This matter also involves certain reporting problems related to the endorsed loan and another loan to the Committee.

The Committee's 12 Day Pre-Special Primary report disclosed a $4,500 contribution received on June 22, 1983, from the Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council ("CANPAC") for the primary. After RAD had mailed the Committee a Request for Additional Information (RFAI) on September 13, 1983, the Committee refunded $3,500 to CANPAC on September 26, 1983. A review of the Committee's Year End Report disclosed another $3,500 contribution as being received from CANPAC on September 27 for the general election.

The Committee's 1983 12 Day Pre-Special General Report, filed August 12, 1983, disclosed receipt of loans totalling $75,000 on Schedule C. This included a $25,000 loan from the Independence National Bank of Chicago endorsed by the candidate and six individuals on July 15, 1983. These individuals were

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Jolyn Robichaux, Sid Ordower, Ernest Bush, Robert Vaughn, Chatman Wailes, and James L. Wright. In addition, a total of $50,000 in loans made on July 25, 1983, was reported coming from the candidate and five individuals. These individuals were Albert W. Johnson, Howard Medley, Edwin Berry, Addie Wyatt, and Jacoby Dickens. The loan were reported on Schedule C, but not on Schedule A. Furthemore, the Schedule C reporting did not disclose the terms of the loans.

On September 27 and October 10, 1983, RAD mailed RFAIs to the Committee requesting that it repay the excessive contributions it received in the form of loans or loan endorsements and that it correctly report the loan terms. On October 1, the Committee accountant and assistant treasurer, Lawrence Ragland, stated that the loans totalling $50,000 had been repaid. The Committee's 30 day Post Special General Report received on September 22, 1983, disclosed repayment of the $50,000 in loans plus $883 in interest on September 12, 1983, to the Independence National Bank. On November 16 the committee filed an amendment stating that it had repaid $50,000 of the $75,000 in loans from the Independence National Bank. This created some confusion in that the Committee had originally reported the $50,000 loan as being from individuals.

On December 13, 1983, the Committee filed amended 12 Day Pre-Special General and 30 Day Post Special General Reports. The amendments included a Schedule A disclosing the receipt date of the loans and the designation of all loans for the primary

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election and a Schedule B showing repayment of the $50,000 loan to six individuals. The Committee also stated that the remaining $25,000 loan was repaid on December 2, 1983, and provided a copy of the note made in connection with the loan agreement, marked "paid". This agreement also disclosed the terms of the loan. The note provided for payment on demand or within eighty days with interest of the bank's base rate plus two per cent prior to demand and base rate plus four per cent after demand. It is signed by the endorsers listed by the Committee.

Another loan presenting problems was a $40,000 loan from the candidate disclosed on Schedule C of the Committee's 30 Day Post Special General Report. The report failed to list the loan on Schedule A and did not detail the date, terms, and source of the funds on Schedule C. After two RFAIs were sent, the Committee provided a Schedule A showing the loan was received on September 12, 1983, and that it was actually for $40,850. The Committee did not disclose the due date and loan terms until the filing of an amended 1984 Year End Report. At that point, all but $6,593 had been repaid.

The Committee's 12 Day Pre-Special General Report disclosed a $1,000 contribution on July 15, 1983, from Jolyn Robichaux for the primary. This amount is in addition to the loan endorsement by Ms. Robichaux. The amended 30 Day Post Special General Report disclosed a $2,000 refund to Ms. Robichaux on August 15, 1983. Mr. Ragland's response to RAD's request for clarification of this refund was a statement that this refund was explained in previous

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correspondence. RAD had received no specific previous explanation.

On July 10, 1984, the Commission found reason to believe that the Committee and Odell Hicks, as its treasurer, 1/ violated 2 U.S.C. § 441a(f) in connection with its apparent receipt of contributions from CANPAC, 2 U.S.C. § 441a(f) in connection with the endorsements of the $25,000 and $50,000 loans and Ms. Robichaux's additional contribution, and 2 U.S.C. § 434(b)(8) in connection with the apparent failure to adequately report the terms of the $25,000 loan, the $50,000 loan, and the $40,000 loan to the Committee. On that date, the Commission also found reason to believe that the above named endorsers, other than the candidates, violated 2 U.S.C. § 441a(a)(1)(A). In addition, the Commission found reason to beleive that CANPAC and David Sherbin, 2/ as its treasurer, violated 2 U.S.C. § 441a(a)(1)(A) in connection with the apparently excessive contributions to the Committee.

The counsel for the Committee and the endorsers and counsel for Mr. Hicks based their responses on the contentions that the endorsers were unaware that the endorsements could be considered

1/On January 23, 1986, this Office received a letter from Congressman Hayes stating that Lawrence Ragland "assumed the position of treasurer and officially became the treasurer" "[d]ue to Mr. Hicks inactivity." On February 24, 1986, this Office received a letter designating James L. Wright as the committee treasurer.

2/On May 8, 1985, CANPAC informed the Commission that its new treasurer was J. Robert Kettlewell. On December 19, 1985, it designated Robert Creamer as its new treasurer.

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contributions, that there was an expectation that the loans would be repaid from legitimate contributions, that the loans have been repaid so "there [was] currently no violation," and that the candidate could have borne a share of the loans attributed to the endorsers large enough to place each endorser within the $1,000 limitation. With respect to the reporting violations, counsel stated that the Committee was willing to make the required corrective reports.

CANPAC replied to the reason to believe finding by claiming that it was a multicandidate committee at the time of the contributions. It listed contributions from fifty individuals, but a review of CANPAC's reports raised the question whether CANPAC itself had contributed to five candidates. Responses to further interrogatories from this Office revealed that its connected organization, the Illinois Public Action Council ("the Council"), made all but one of the disbursements to candidates listed on CANPAC's reports. The response stated that the only contribution made by CANPAC itself was the June, 1983, contribution to the Hayes Committee.

On July 15, 1985, the Commission found reason to believe that the Illinois Public Action Council, CANPAC and J. Robert Kettlewell, as its treasurer, violated 2 U.S.C. § 441b(a) in connection with the September, 1983, contribution to the Hayes Committee. The response of the Council and CANPAC indicated that the Council, made partisan communications to both members and

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non-members and that there was an agreement between them that CANPAC would repay the Council for the corporate funds advanced for this purpose.

Briefs were sent to the endorsers on October 22, 1985. These briefs stated that this Office was prepared to recommend that the Commission find probable cause to believe that each endorser violated 2 U.S.C. § 441a(a)(1)(A). This Office sent briefs to the Council, CANPAC, and the Hayes Committee on November 26, 1985.

The brief sent to the Council stated that this Office was prepared to recommend a probable cause finding that the Council violated 2 U.S.C. § 441b(a). The brief sent to CANPAC stated that this Office was prepared to recommend findings of probable cause to believe that CANPAC and its treasurer violated 2 U.S.C. § 441a(a)(1)(A) and 2 U.S.C. § 441b(a) in connection with the contributions reported as coming from CANPAC. In the brief sent to the Hayes Committee, this Office stated that it was prepared to recommend a finding of probable cause to believe that the Hayes Committee and its treasurer violated 2 U.S.C. § 441a(f) in connection with the loan endorsements and Mr. Robichaux's additional contribution, 2 U.S.C. § 441a(f) with respect to the contributions from CANPAC, and 2 U.S.C. § 434(b)(8) with respect to the failure to report adequately the terms of the loans. This Office also stated that it was prepared to recommend a finding of no probable cause to believe that the Hayes Committee and its treasurer violated 2 U.S.C. § 441a(f) with respect to the September, 1983, contribution.

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No response has been received from the Hayes Committee. A response was received from counsel for the endorsers on December 19, 1985, and from counsel for CANPAC and the Council on January 29, 1986.

Counsel for the endorsers argues that, by endorsing the loans, respondents incurred only a "contingent liability" and that nothing "tangible" passed between the endorsers and the Hayes Committee. He asserts that the purpose of the Act is to prohibit tangible support exceeding $1,000. He contends that the endorsement is only an executory contract, and, thus, is similar to a pledge of a contribution. Since "promises to pay" were eliminated from the definition of "contribution" in the 1979 Amendments to the Act, counsel argues that an endorsement should not fall within that definition.

Counsel points out that the endorser's liability on a note only "ripen[s] into a liability" upon default of the primary obligor, enforcement of the note by the Independence Bank, and the bank's collection upon the endorsement. He states that, "although the respondents' liabilty was of a lesser order than that of a promissor, the respondents are considered under the statute to have made a contribution whereas a promissor is not." Counsel contends, therefore, that treating endorsers as contributors is a violation of "equal protection and substantive due process."

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Counsel contends that the proscription of endorsements in excess of $1,000 is a restriction of a fundamental right, the freedom of association, and that the restriction does not withstand the constitutional standard of strict scrutiny because "it is far from established that there should be a distinction between a person's endorsing upon loan [sic] made by national banks and those making a contract or promise to make a campaign contribution."

Counsel finally argues that the endorsement of the loan notes in this case "creates no more than a nominal contribution," because of "the nature of the liability created and the length of the time that liability existed." He contends that, because of the "contingent liability" nature of the endorsements, the contributions were of "indeterminate monetary value."

Counsel for CANPAC and the Council sets out the same argument presented in response to the finding of reason to believe that his clients violated 2 U.S.C. § 441b(a). This argument was meant to serve two purposes. It attemped to assert that initial disbursements by the Council on CANPAC's behalf were not corporate contributions, but instead, were CANPAC contributions. Consequently, CANPAC, itself had supported enough candidates to qualify as a multicandidate committee. This argument was discussed in the General Counsel's Brief sent to CANPAC. Counsel maintains in his brief that the initial disbursements by the Council for partisan communications to non-members were made pursuant to an agreement between CANPAC and the

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Council and that, therefore, the repayments for these disbursements owed by CANPAC to the Council merely resulted from an extension of credit permissible under 11 C.F.R. § 114.10. Counsel also argues that "[i]ncorporated membership organizations such as the Council do not fit squarely within the § 441b(a) prohibitions." Counsel bases this distinction on the fact that the Council's revenues come from individual donations rather than the manufacture and sale of any type of product.

Finally, counsel maintains that the $3,500 contribution made on September 26, 1983, was actually a return of the money that the Hayes Committee previously had given back to CANPAC on that date "under the erroneous belief that CANPAC was not a multi-candidate committee." The Hayes Committee was giving back the excess of the $4,500 contribution from June 22, 1983. Counsel further states that at the time CANPAC made the June 22 contribution, it had received a $5000 contribution from UAWPAC and, therefore, had enough in its account to cover the $4,500 contribution.

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II. LEGAL ANALYSIS

This Office refers the Commission to the General Counsel's Briefs for an analysis of the legal issues and applicable sections of the Act and Regulations in this matter.

In his argument that the endorsements were not tangible, only created "contingent liabilities," and were equivalent only to a promise to pay, counsel for the endorsers fails to take notice of the very real contributory nature of the loan endorsements. Such endorsements make large sums of money

available to a candidate committee at the time the bank transmits the loans to such committee. This is significantly different from a mere promise to contribute in the future. The equal protection and substantive due process arguments, therefore, cannot be sustained.

The fact that the loans were repaid within 140 days and 48 days may serve merely as a mitigating factor. Furthermore, because the endorsements, as proven above, had value as contributions and because the value of the endorsements is specifically set forth in the statute, these endorsements cannot be considered to be of "indeterminate monetary value."

This Office, therefore, recommends that the Commission find probable cause to believe that each of the endorsers violated 2 U.S.C § 441a(a)(1)(A) and that the Hayes for Congress Committee and James L. Wright, as its treasurer violated 2 U.S.C. § 441a(f) in connection with the receipt of the $25,000 loan, the $50,000 loan, and Jolyn Robichaux's additional contribution.

Because CANPAC's response, after the finding of reason to believe it had violated 2 U.S.C. § 441a(a)(1)(A), indicated that the September 26 contribution was corporate in origin, a reason to believe finding had been made that CANPAC and the Council violated 2 U.S.C. § 441b(a). The briefs of this Office recommend probable cause findings of 2 U.S.C. § 441b(a), as well as 2 U.S.C. § 441a(a)(1)(A).

The response brief of the Council and CANPAC, however, clarifies the situation concerning the funds used to make the

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contributions to the Hayes Committee. The reply brief indicates that the $4,500 contribution on June 22 to the Hayes Committee came from CANPAC funds, not from funds of the Council. The brief further indicates that, on September 26, the Hayes Committee returned $3,500, the amount of the June contribution in excess of $1,000 to CANPAC and, thereafter, on that same day, CANPAC recontributed the $3,500 to the Hayes Committee. It appears, therefore, that the contribution of September 26, as well as the contribution of June 22, originated from CANPAC funds, and was not a corporate contribution. CANPAC cites 11 C.F.R. § 114.10 in support of its argument that it qualified as a multicandidate committee. It argues that the disbursements for other candidates initially made by the Council actually represented CANPAC contributions by virtue of an extension of credit agreement between CANPAC and the Council. As discussed in the General Counsel's Brief to CANPAC, this regulation was not meant to apply to a situation such as the present matter where the political committeee is connected to the corporation. See AO 1984-24 3/ As CANPAC did not qualify as a multicandidate committee by virtue of the Council's expenditures, its contributions to the Hayes Committee were excessive.

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3/ Respondents argue incorrectly that the prohibitions of 2 U.S.C. § 441b should not apply to membership corporations such as the Council because the corporate funds originate from individuals. Section 441b applies to "any corporation." Furhtermore, the regulations explicitly prohibit contributions by non-capital stock corporations and membership corporations. See, e.g., 11 C. F. R. §§ 114.1(a)(2)(iii), 114.3(a)(2) and 114.5(b).

Consequently, this Office recommends a finding of probable cause to believe that CANPAC violated 2 U.S.C. § 441a(a)(1)(C) and that the Hayes Committee violated 2 U.S.C. § 441a(f) in connection with these contributions. Finally, because the contributions originated from CANPAC, rather than the Council, this Office recommends a finding of no probable cause to believe that the Illinois Public Action Council and CANPAC and Robert Creamer, as its treasurer, violated 2 U.S.C. § 441b(a).

Because no brief was received from the Hayes Committee, this Office, based upon the analysis in the General Counsel's Brief, recommends that the Commission find probable cause to believe that the Hayes Committee and Mr. Wright, as treasurer, violated 2 U.S.C. § 434(b)(8) in connection with the failure to report adequately the terms of the $25,000 loan, the $50,000 loan, and the $40,000 loan to the Committee, and 2 U.S.C. § 441a(f) in connection with the receipt of excessive contributions.

III. DISCUSSION OF CONCILIATION AGREEMENT AND CIVIL PENALTY

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IV. RECOMMENDATIONS

1. Find probable cause to believe that the following persons violated 2 U.S.C. § 441a(a)(1)(A):

a) Jolyn Robichaux;

b) Sid Ordower;

c) Ernest Bush;

d) Robert Vaughn;

e) Chatman Wailes;

f) James L. Wright;

g) Albert W. Johnson;

h) Howard Medley;

i) Edwin C. Berry;

j) Addie Wyatt; and

k) Jacoby Dickens.

2. Find probable cause to believe that the Hayes for Congress Committee and James L. Wright, as its treasurer, violated 2 U.S.C. § 441a(f) in connection with the receipt of the $25,000 loan, the $50,000 loan, and Jolyn Robichaux's additional contribution.

3. Find probable cause to believe that the Hayes for Congress Committee and James L. Wright, as its treasurer, violated 2 U.S.C. § 434(b)(8) in connection with the incomplete reporting of the $25,000 loan, the $50,000 loan, and the $40,000 loan.

4. Find probable cause to believe that the Hayes for Congress Committee and James L. Wright, as its treasurer, violated 2 U.S.C. § 441a(f) with respect to the contributions from CANPAC.

5. Find probable cause to believe that CANPAC and Robert Creamer, as its treasurer violated 2 U.S.C. § 441a(a)(1)(A) with respect to the CANPAC contributions to the Hayes Committee.

6. Find no probable cause to believe that the Illinois Public Action Council violated 2 U.S.C. § 441b(a).

7. Find no probable cause to believe that CANPAC and Robert Creamer, as its treasurer, violated 2 U.S.C. § 441b(a).

8. Approve the attached conciliation agreements.

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9. Approve the attached letters.

9 May 1986
Date

Charles N. Steele
General Counsel

Attachments
1. Reply brief from counsel for the endorsers
2. Reply brief from counsel for CANPAC and the Council
3. Proposed conciliation agreements and letters

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Hayes for Congress Committee,)
et al.)

MUR 1738

CERTIFICATION

I, Mary W. Dove, recording secretary for the Federal Election Commission executive session of May 13, 1986, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 1738:

1. Find probable cause to believe that the following persons violated 2 U.S.C. § 441a(a)(1)(A):

   a) Jolyn Robichaux
   b) Sid Ordower
   c) Ernest Bush
   d) Robert Vaughn
   e) Chatman Wailes
   f) James L. Wright
   g) Albert W. Johnson
   h) Howard Medley
   i) Edwin C. Berry
   j) Addie Wyatt; and
   k) Jacoby Dickens.

2. Find probable cause to believe that the Hayes for Congress Committee and James L. Wright, as its treasurer, violated 2 U.S.C. § 441a(f) in connection with the receipt of the $25,000 loan, the $50,000 loan, and Jolyn Robichaux's additional contribution.

3. Find probable cause to believe that the Hayes for Congress Committee and James L. Wright, as its treasurer, violated 2 U.S.C. § 434(b)(8) in connection with the incomplete reporting of the $25,000 loan, the $50,000 loan, and the $40,000 loan.

4. Find probable cause to believe that the Hayes for Congress Committee and James L. Wright, as its treasurer, violated 2 U.S.C. § 441a(f) with respect to the contributions from CANPAC.

(continued)

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5. Find probable cause to believe that CANPAC and Robert Creamer, as its treaaurer violated 2 U.S.C. § 441a(a)(1)(A) with respect to the CANPAC contributions to the Hayes Committee.

6. Find no probable cause to believe that the Illinois Public Action Council violated 2 U.S.C. § 441b(a).

7. Find no probable cause to believe that CANPAC and Robert Creamer, as its treasurer, violated 2 U.S.C. § 441b(a).

8. Approve the conciliation agreements attached to the General Counsel's report dated May 9, 1986.

Commissioners Aikens, Harris, Josefiak, McDonald, and McGarry voted affirmatively for the decision. Commissioner Elliott dissented.

Attest:

5-14-86
Date

Mary W. Dove
Mary W. Dove
Administrative Assistant

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 19, 1986

James L. Wright, Treasurer
Hayes for Congress Committee
4859 South Wabash
Chicago, Illinois 60615

RE: MUR 1738
Hayes for Congress Committee
James L. Wright, as treasurer

Dear Mr. Wright:

On May 13, 1986, the Commission determined that there is probable cause to believe that the Hayes for Congress Committee ("the Hayes Committee") and you, as treasurer, violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended, ("the Act") in connection with the receipt of excessive endorsements of a $25,000 loan and a $50,000 loan and an additional contribution from Jolyn Robichaux. On that date, the Commission found probable cause to believe that the Hayes Committee and you, as treasurer, violated 2 U.S.C. § 434(b)(8) in connection with the failure to report adequately the terms of the $25,000 loan, the $50,000 loan, and a $40,000 loan received by the Hayes Committee. Furthermore, the Commission decided to find probable cause to believe that the Hayes Committee and you, as treasurer, violated 2 U.S.C. § 441a(f) with respect to the contributions accepted by the Hayes Committee from CANAPC.

The Commission has a duty to attempt to correct violations of the Act for a period of thirty to ninety days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may institute civil suit in United States District Court and seek payment of a civil penalty.

We enclose a conciliation agreement that this Office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it along with the civil penalty to the Commission within ten days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the U.S. Treasury.

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If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 19, 1986

John W. Christy, Esquire
Coffield, Ungaretti, Harris & Slavin
3500 Three First National Plaza
Chicago, Illinois 60602

RE: MUR 1738
Illinois Public Action Council
CANPAC
Robert Creamer, as treasurer

Dear Mr. Christy:

On May 13, 1986, the Commission determined that there is probable cause to believe that your clients, CANPAC and Robert Creamer, as CANPAC's treasurer, violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, ("the Act") in connection with contributions to the Hayes for Congress Committee ("the Hayes Committee"). On that same date, the Commission found no probable cause to believe that the Illinois Public Action Council, CANPAC, and Robert Creamer, as treasurer, violated 2 U.S.C. § 441b(a) in connection with contributions to the Hayes for Congress Committee.

The Commission has a duty to attempt to correct violations of the Act for a period of thirty to ninety days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may institute civil suit in United States District Court and seek payment of a civil penalty.

We enclose a conciliation agreement that this Office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed agreement, please have your clients sign and return it along with the civil penalty to the Commission within ten days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the U.S. Treasurer.

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If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 19, 1986

Earl L. Neal, Esquire
Earl L. Neal & Associates
111 W. Washington
Suite 1010
Chicago, IL 60603

Re: MUR 1738
Jolyn Robichaux,
et al.

Dear Mr. Neal:

On May 13, 1986, the Commission determined that there is probable cause to believe that your clients, Jolyn Robichaux, Sid Ordower, Ernest Bush, Robert Vaughn, Chatman Wailes, James L. Wright, Albert Johnson, Howard Medley, Edwin Berry, Addie Wyatt, and Jacoby Dickens, committed violations of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with excessive endorsements of loans to the Hayes for Congress Committee and in connection with an additional contribution to the Hayes Committee by Ms. Robichaux.

The Commission has a duty to attempt to correct such violations for a period of thirty to ninety days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement. If we are unable to reach agreements during that period, the Commission may institute civil suit in United States District Court and seek payment of the civil penalties.

We enclose conciliation agreements that this Office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed agreements, please have your clients sign and return them along with checks in payment of the civil penalties to the Commission within ten days. I will then recommend that the Commission approve the agreements. Please have the checks for the civil penalties made payable to the U.S. Treasurer.

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If you have any questions or suggestions for changes in the enclosed conciliation agreements, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Conciliation Agreements (11)

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LAW OFFICES
EARL L. NEAL & ASSOCIATES

EARL L. NEAL
MICHAEL D. LEROY
ANNE L. FREDD
RICHARD F. FRIEDMAN
LESTER H. McKEEVER, JR.
TERRANCE L. DIAMOND
LANGDON D. NEAL

111 WEST WASHINGTON STREET
SUITE 1010
CHICAGO, ILLINOIS 60602
TELEPHONE 641-7144

June 5, 1986

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RECEIVED
OFFICE OF
GENERAL COUNSEL

Mr. Charles N. Steele
General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1738
Jolyn Robichaux, et al.

Dear Mr. Steele:

On May 23, 1986, we received your notice dated May 19, 1986 that the Federal Election Commission had on May 13, 1986 found probable cause in this proceeding. Your notice transmitted proposed Conciliation Agreements for each of the respondents and requested a check in settlement of the civil penalties within ten days.

Please be advised that we are reviewing the proposal and are sending the proposed agreements to our clients for their consideration. In addition, we will be consulting with each of the resondents concerning the appropriate action to be taken.

We anticipate a thorough consideration of the proposed agreement by each of the eleven respondents will require the full 30-90 day concilation period. In any event, ten days is an unrealistic period within which to give the proposed agreements the consideration they deserve.

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We will keep you informed as each of the respondents considers the proposed Conciliation Agreement.

Very truly yours,

Richard F. Friedman

RFF/wrm

P.S. You have sent us a proposed Conciliation Agreement for Addie Wyatt. Although Ms. Wyatt has not signed a letter of representation appointing Earl L. Neal & Associates as her counsel, we will transmit the proposal to her.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 24, 1986

James L. Wright, Treasurer
Hayes for Congress Committee
4859 South Wabash
Chicago, Illinois 60615

Re: MUR 1738
Hayes for Congress Committee
James L. Wright, as treasurer

Dear Mr. Wright:

On May 19, 1986, the Office of the General Counsel mailed a letter notifying you that the Commission had found probable cause to believe that the Hayes for Congress Committee and you, as treasurer, had violated certain sections of the Federal Election Campaign Act of 1971, as amended. Enclosed with the letter was a conciliation agreement. The notification letter stated that the conciliation period would last from thirty to ninety days. At this time, this Office has received nothing from you in the form of a counterproposal or suggested alternative terms. Unless this Office receives a counterproposal from you by June 30, 1986, this Office will proceed to the next step in the enforcement process.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at 202-376-5690.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

8804074497

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Hayes for Congress Committee) MUR 1738
James L. Wright, as treasurer)

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EXECUTIVE SESSION

JUL 29 1986

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On May 13, 1986, the Commission found probable cause to believe that the Hayes for Congress Committee ("the Committee") and James L. Wright, as treasurer, violated 2 U.S.C. §§ 441a(f) and 434(b)(8). On that date, the Commission also approved a conciliation agreement to be sent to the Committee. On May 19, 1986, this Office sent the proposed agreement. On June 24, 1986, this Office sent a letter to Mr. Wright stating that, if this Office did not receive a counterproposal by June 30, 1986, this Office would proceed to the next step in the enforcement process. Despite this letter and despite phone conversations with Congressman Hayes and his office, this Office has received no counterproposal or other substantive reply.

II. ANALYSIS

The Committee and its treasurer have failed, thus far, to respond in a substantive manner to the Commission's conciliation proposal. This Office, therefore, is recommending that the Commission authorize the filing of a civil suit against them in the United State District Court.

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III. **RECOMMENDATION**

1. Authorize the Office of the General Counsel to file a civil suit for relief in the United States District Court against the Hayes for Congress Committee and James L. Wright, as treasurer.

2. Approve the attached letter.

22 July 1986
Date

Charles N. Steele
General Counsel

Attachment
1. Proposed letter to the Committee

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Hayes for Congress Committee	)	MUR 1738
James L. Wright, as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of July 29, 1986, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 1738:

1. Authorize the Office of the General Counsel to file a civil suit for relief in the United States District Court against the Hayes for Congress Committee and James L. Wright, as treasurer.

2. Approve the letter attached to the General Counsel's report dated July 22, 1986.

Commissioners Aikens, Elliott, Harris, Josefiak, McDonald, and McGarry voted affirmatively for the decision.

Attest:

7-29-86
Date

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

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perm

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 5, 1986

James L. Wright, Treasurer
Hayes for Congress Committee
4859 South Wabash
Chicago, Illinois 60615

Re: MUR 1738
Hayes for Congress
Committee
James L. Wright,
as treasurer

Dear Mr. Wright:

You were previously notified that on May 13, 1986, the Federal Election Commission found probable cause to believe that the Hayes for Congress Committee and you, as treasurer, violated 2 U.S.C. §§ 441a(f) and 434(b)(8), provisions of the Federal Election Campaign Act of 1971, as amended, in connection with the above-captioned matter.

As a result of our inability to settle this matter through conciliation, the Commission has authorized the institution of a civil action for relief in the United States District Court.

Should you have any questions, or should you wish to settle this matter prior to suit, please contact Ivan Rivera at (202) 376-8200 within ten days of your receipt of this letter.

Sincerely,

Charles N. Steele
General Counsel

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Hayes for Congress Committee,) MUR 1730
et al.)

GENERAL COUNSEL'S REPORT

EXECUTIVE SESSION
SEP 16 1986

I. BACKGROUND

On May 13, 1986, the Commission found probable cause to believe that the Hayes for Congress Committee ("the Hayes Committee") and James L. Wright, as treasurer, violated 2 U.S.C. § 441a(f) in connection with the acceptance of excessive endorsements from eleven endorsers and excessive contributions from the Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council ("CANPAC") and 2 U.S.C. § 434(b)(8) in connection with the failure to adequately report the receipt of three loans totalling $115,000. On that date, the Commission also found probable cause to believe that each of the eleven endorsers violated 2 U.S.C. § 441a(a)(1)(A). These endorsers are Jolyn Robichaux, Sid Ordower, Ernest Bush, Robert Vaughn, Chatman Wailes, James L. Wright, Albert W. Johnson, Howard Medley, Edwin C. Berry, Addie Wyatt, and Jacoby Dickens. Finally, the Commission found probable cause to believe that CANPAC and Robert Creamer, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A) in connection with its contributions to the Hayes Committee. On that date, the Commission also approved conciliation agreements to be sent to the Committee and its treasurer, to CANPAC and its treasurer, and to each of the eleven endorsers.

On May 19, 1986, this Office mailed notification letters and agreements to the Hayes Committee, to counsel for the endorsers, and to counsel for CANPAC. The Hayes Committee never responded in any substantive manner and on August 4, 1985, the Commission authorized this Office to file suit against the Hayes Committee and Mr. Wright, as its treasurer.

This Office has engaged in extensive discussions with counsel for CANPAC and counsel for the endorsers.

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Remainder of p. 2 and pp 3-6 deleted.
See 2 USC § 437g (a)(4)(B)(ii).

Based on the foregoing analysis, this Office recommends that the Commission reject the counterproposal on behalf of the endorsers and authorize the Office of the General Counsel to file civil suit for relief in United States District Court against the eleven endorsers in MUR 1738.

III. RECOMMENDATIONS

1. Reject the counterproposal of the Citizens Action Non-Partisan Political Action Federal Campaign Committee and Robert Creamer, as treasurer.

2. Reject the counterproposal of Jolyn Robichaux, Sid Ordower, Ernest Bush, Robert Vaughn, Chatman Wailes, James L. Wright, Albert W. Johnson, Howard Medley, Edwin C. Berry, Addie Wyatt, and Jacoby Dickens.

3. Authorize the Office of the General Counsel to file a civil suit for relief in the United States District Court against the Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council and Robert Creamer, as treasurer.

4. Authorize the Office of the General Counsel to file a civil suit for relief in the United States District Court against Jolyn Robichaux, Sid Ordower, Ernest Bush, Robert Vaughn, Chatman Wailes, James L. Wright, Albert W. Johnson, Howard Medley, Edwin C. Berry, Addie Wyatt and Jacoby Dickens.

5. Approve the attached letters.

8 Sept 1986
Date

Charles N. Steele
General Counsel

Attachments
1. Letters and counterproposal of counsel for CANPAC
2. Counterproposal of counsel for the endorsers
3. Proposed letters

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Hayes for Congress Committee, et al.	)	MUR 1738
	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of September 16, 1986, do hereby certify that the Commission took the following actions in MUR 1738:

1. Decided by a vote of 5-1 to reject the counter-proposal of the Citizens Action Non-Partisan Political Action Federal Campaign Committee and Robert Creamer, as treasurer.

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

2. Decided by a vote of 6-0 to reject the counter-proposal of Jolyn Robichaux, Sid Ordower, Ernest Bush, Robert Vaughn, Chatman Wailes, James L. Wright, Albert W. Johnson, Howard Medley, Edwin C. Berry, Addie Wyatt, and Jacoby Dickens.

   Commissioners Aikens, Elliott, Harris, Josefiak, McDonald, and McGarry voted affirmatively for the decision.

(continued)

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3. Decided by a vote of 5-1 to authorize the Office of the General Counsel to file a civil suit for relief in the United States District Court against the Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council and Robert Creamer, as treasurer, unless within ten days they accept the Commission's counter-offer, including a civil penalty in the amount of Two Thousand Dollars ($2,000.00), with a ten month period in which to pay.

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

4. Decided by a vote of 6-0 to authorize the Office of the General Counsel to file a civil suit for relief in the United States District Court against Jolyn Robichaux, Sid Ordower, Ernest Bush, Robert Vaughn, Chatman Wailes, James L. Wright, Albert W. Johnson, Howard Medley, Edwin C. Berry, Addie Wyatt and Jacoby Dickens.

   Commissioners Aikens, Elliott, Harris, Josefiak, McDonald, and McGarry voted affirmatively for the decision.

5. Decided by a vote of 6-0 to authorize the Office of the General Counsel to send appropriate letters pursuant to the above decisions.

   Commissioners Aikens, Elliott, Harris, Josefiak, McDonald, and McGarry voted affirmatively for the decision.

Attest:

9-16-86
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 19, 1986

Richard F. Friedman, Esquire
Earl L. Neal & Associates
111 West Washington Street
Suite 1010
Chicago, Illinois 60602

Re: MUR 1738
Jolyn Robichaux, et al.

Dear Mr. Friedman:

Your were previously notified that, on May 13, 1986, the Federal Election Commission found probable cause to believe that your clients, Jolyn Robichaux, Sid Ordower, Ernest Bush, Robert Vaughn, Chatman Wailes, James L. Wright, Albert W. Johnson, Howard Medley, Edwin C. Berry, Addie Wyatt, and Jacoby Dickens, violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Campaign Act of 1971, as amended, in connection with the above-captioned matter. You have submitted a counteroffer to the Commission's proposed conciliation agreement.

The Commission has reviewed your counteroffer and determined to reject it. Accordingly, as a result of our inability to settle this matter through conciliation within the allowable time period, the Commission has authorized the institution of a civil suit for relief in the United States District Court.

Should you have any questions or should you wish to settle this matter prior to suit, please contact Ivan Rivera, Assistant General Counsel, at (202) 376-8200, within ten days of your receipt of this letter.

Sincerely,

Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 19, 1986

John W. Christy, Esquire
Coffield, Ungaretti, Harris & Slavin
3500 Three First National Plaza
Chicago, Illinois 60602

RE: MUR 1738
CANPAC
Robert Creamer, as treasurer

Dear Mr. Christy:

Your were previously notified that, on May 13, 1986, the Federal Election Commission found probable cause to believe that your clients, the Citizen Action Non-Partisan Political Action Federal Campaign Committee of Illionois Public Action Council ("CANPAC") and Robert Creamer, as treasurer, violated 2 U.S.C. § 441a(1)(A), a provision of the Federal Campaign Act of 1971, as amended, in connection with the above-captioned matter. You have submitted a counteroffer to the Commission's proposed conciliation agreement.

The Commission has reviewed your counteroffer and determined to reject it. Although we have been unable to settle this matter through conciliation within the allowable time period, the Commission has directed the Office of the General Counsel to send you a final counterproposal in order to achieve the settlement of this matter. Please note, however, that the Commission also has authorized the institution of a civil action for relief in the United States District Court if the enclosed agreement is not signed by you or your clients and returned to this Office within ten days of your receipt of this letter.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)
)
Citizens Action Non-Partisan) MUR 1738
Political Action Federal)
Campaign Committee of)
the Illinois Public Action)
Council ("CANPAC"))
Robert Creamer, as treasurer)

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GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Robert Creamer, the treasurer of CANPAC.

On September 16, 1986, the Commission approved an agreement to be sent to CANPAC and its treasurer as a final proposal. The attached agreement contains no changes from the agreement approved by the Commission. This Office, therefore, recommends that the Commission accept this agreement and close the file with respect to CANPAC and its treasurer.1/

II. RECOMMENDATION

1. Accept the attached agreement.

2. Close the file with respect to CANPAC and Robert Creamer, as treasurer.

3. Approve the attached letter.

Charles N. Steele
General Counsel

10/9/98
Date

BY: Lawrence M. Noble
Deputy General Counsel

Attachments
Conciliation Agreement
Letter

1/The Commission has authorized suit with respect to the other respondents in this matter.

8804574509

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council ("CANPAC") Robert Creamer, as treasurer	)	MUR 1738

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 15, 1986, the Commission decided by a vote of 4-0 to take the following actions in MUR 1738:

1. Accept the conciliation agreement, as recommended in the General Counsel's Report signed October 9, 1986.

2. Close the file with respect to CANPAC and Robert Creamer, as treasurer.

3. Approve the letter, as recommended in the General Counsel's Report signed October 9, 1986.

Commissioners Aikens, Elliott, Josefiak, and McDonald voted affirmatively for this decision; Commissioners McGarry and Thomas did not vote.

Attest:

9-15-86
Date

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

Received in Office of Commission Secretary: Thurs., 10-9-86, 2:56
Circulated on 48 hour tally basis: Fri., 10-10-86, 2:00
Deadline for vote: Wed., 10-15-86, 4:00

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1986

John W. Christy, Esquire
Coffield, Ungaretti, Harris & Slavin
3500 Three First National Plaza
Chicago, Illinois 60602

RE: MUR 1738
CANPAC
Robert Creamer, as
treasurer

Dear Mr. Christy:

On October 15, 1986, the Commission accepted the conciliation agreement signed by Robert Creamer, treasurer of CANPAC, in settlement of violations of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to your clients, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. 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 within 10 days.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Action Non-Partisan Political Action Federal Campaign Committee of the Illinois Public Action Council ("CANPAC") Robert Creamer, as treasurer	)	MUR 1738

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 probable cause to believe that CANPAC and Robert Creamer, as its treasurer ("Respondents"), violated 2 U.S.C. § 44la(a)(1)(A) by making excessive contributions to the Hayes for Congress Committee ("the Hayes Committee").

NOW THEREFORE, the Commission and Respondents, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding.

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:

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1. Respondent CANPAC is a non-multicandidate political committee registered with the Commission. CANPAC is a person within the definition of 2 U.S.C. § 431(11).

2. Respondent Robert Creamer is the treasurer of CANPAC.

3. The Hayes for Congress Committee was the principal campaign committee of Charles Hayes for election to the House of Representatives from the First District of Illinois in the 1983 special election.

4. On June 22, 1983, Respondents made a $4,500 contribution to the Hayes Committee in connection with the special Democratic primary election for the U.S. House of Representatives, held on July 26, 1983.

5. On September 26, 1983, the Hayes Committee returned $3,500 to Respondent. Subsequently, on that same date, Respondent again contributed $3,500 to the Hayes Committee.

6. Section 441a(a)(1)(A) of Title 2 states that no person shall make contributions to any candidate and his authorized committee with respect to any federal election which, in the aggregate, exceed $1,000.

V. Respondents made excessive contributions to the Hayes Committee in violation of 2 U.S.C. § 441a(a)(1)(A). Respondents contend that this was not a knowing and willful violation.

VI. Respondents will pay a civil penalty to the Treasurer of the United States in the amount of Two Thousand Dollars ($2,000), pursuant to 2 U.S.C. § 437g(a)(5)(A), such penalty to

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be paid as follows:

1) Beginning on November 1, 1986, ten consecutive monthly installment payments of $200 each;

2) Each such installment shall be paid on the first day of the month in which it becomes due;

3) In the event that any installment payment is not received by the Commission by the fifth day of the month in which it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to Respondents. Failure by the Commission to accelerate the payment with regard to any overdue installment shall not be construed as a waiver of its right to do so with regard to future overdue installments.

VII. 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.

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

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IX. This Conciliation Agreement constitutes the entire agreement between the Commission and the Respondent on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by any party or by agents of any party, that is not contained in this written agreement, shall be valid.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: _____ 10/22/86
Lawrence M. Noble
Deputy General Counsel
Date

FOR THE RESPONDENTS:

_____ 9/30/86
(Name) Robert Creamer
(Position) CANPAC Treasurer
Date

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

See also FEC v. Hayes for Congress, et al, C.A. 86C7865, 86C9659 (N.D. Ill.), 30 Oct 87.

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WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 1738

DATE FILMED 3/3/88 CAMERA NO. 2

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