



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20543

THIS IS THE END OF MUR # 1992

Date Filmed 12/5/85 Camera No. --- 2

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 6, 1985

Robert H. Duesenberg, General Counsel
Daniel S. Hapke, Assistant General Counsel
General Dynamics Corporation
Pierre LaCled Center
St. Louis, Missouri 63105

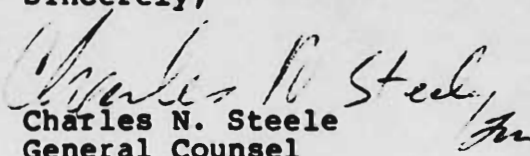
RE: MUR 1992
General Dynamics Corporation

Dear Mr. Duesenberg and Mr. Hapke:

This is to advise you that after an investigation was conducted, the Commission concluded on October 29, 1985, that there is no probable cause to believe your client, the General Dynamics Corporation, violated 2 U.S.C. § 441b(a) and § 441c(a)(1). Accordingly, the file in this matter has been closed.

This matter will become part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days. If you have any questions, please contact Maura White at 523-4143.

Sincerely,


Charles N. Steele
General Counsel

85040563275

White



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Roy E. Kinsey, Jr.
Lewis, Kinsey, Dack and Good
Tenth Floor
One Thousand Connecticut Avenue, N.W.
Washington, D. C. 20036

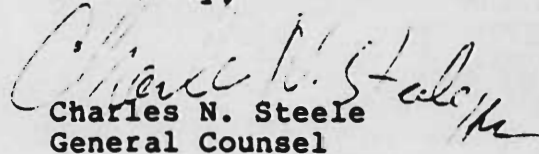
RE: MUR 1992
Weicker '82 Committee;
Charles Muessel, as treasurer

Dear Mr. Kinsey:

This is to advise you that after an investigation was conducted, the Commission concluded on October 29, 1985, that there is no probable cause to believe your clients, the Weicker '82 Committee and Charles Muessel, as treasurer, violated 2 U.S.C. § 441b(a). Accordingly, the file in this matter has been closed.

This matter will become part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days. If you have any questions, please contact Maura White at 523-4143.

Sincerely,


Charles N. Steele
General Counsel

85040563276

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Weicker '82 Committee and) MUR 1992
Charles Muessel, as treasurer)
General Dynamics Corporation)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of October 29, 1985, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 1992:

1. Find no probable cause to believe the Weicker '82 Committee and Charles Muessel, as treasurer, violated 2 U.S.C. § 441b(a).
2. Find no probable cause to believe the General Dynamics Corporation violated 2 U.S.C. § 441b(a) and § 441c(a)(1).
3. Close the file.
4. Approve the letters attached to the General Counsel's report dated October 21, 1985.

Commissioners Aikens, Elliott, Harris, Josefiak, McDonald, and McGarry voted affirmatively for the decision.

Attest:

10-29-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

85040563277



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *ld*
DATE: October 22, 1985
SUBJECT: MUR 1992 - General Counsel's Report

The attached is submitted as an Agenda document
for the Commission Meeting of October 29, 1985

Open Session _____

Closed Session XX

CIRCULATIONS

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

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

Information []
Sensitive []
Non-Sensitive []

Other XX

DISTRIBUTION

Compliance XX

Audit Matters []

Litigation []

Closed MUR Letters []

Status Sheets []

Advisory Opinions []

Other (see distribution below) []

SENSITIVE

CIRCULATE ON BLUE PAPER

ON AGENDA 10-29-85

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

EXECUTIVE SESSION

In the Matter of)

Weicker '82 Committee;
Charles Muessel, as
treasurer; General
Dynamics Corporation)

MUR 1992

OCT 29 1985

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On May 7, 1985, the Commission determined that there is reason to believe the Weicker '82 Committee and Charles Muessel, as treasurer, violated 2 U.S.C. § 441b(a), and that there is reason to believe the General Dynamics Corporation violated 2 U.S.C. § 441b(a) and § 441c(a)(1). On September 27, 1985, General Counsel's Briefs, containing recommendations of no probable cause to believe, were mailed to counsel for the Weicker '82 Committee and Charles Muessel, as treasurer, and to the General Dynamics Corporation. The Weicker '82 Committee and Charles Muessel, as treasurer, submitted a response to the General Counsel's Brief on October 7, 1985. A response was received from the General Dynamics Corporation on October 9, 1985.

II. LEGAL ANALYSIS

The Weicker '82 Committee, Charles Muessel, as treasurer, and the General Dynamics Corporation have responded to the General Counsel's Briefs by concurring with the legal analysis and recommendations contained therein. Hence, the legal analysis in this matter remains the same. See the General Counsel's Brief to the Weicker '82 Committee and Charles Muessel, as treasurer, and the General Counsel's Brief to the General Dynamics Corporation.

35040563279

III. RECOMMENDATIONS

1. Find no probable cause to believe the Weicker '82 Committee and Charles Muessel, as treasurer, violated 2 U.S.C. § 441b(a).
2. Find no probable cause to believe the General Dynamics Corporation violated 2 U.S.C. § 441b(a) and § 441c(a)(1).
3. Close the file.
4. Approve the attached letters.

Date

10/21/85

Charles N. Steele
General Counsel

Attachments

1. Proposed letters (2)

35040563280



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Roy E. Kinsey, Jr.
Lewis, Kinsey, Dack and Good
Tenth Floor
One Thousand Connecticut Avenue, N.W.
Washington, D. C. 20036

RE: MUR 1992
Weicker '82 Committee;
Charles Muessel, as treasurer

Dear Mr. Kinsey:

This is to advise you that after an investigation was conducted, the Commission concluded on , 1985, that there is no probable cause to believe your clients, the Weicker '82 Committee and Charles Muessel, as treasurer, violated 2 U.S.C. § 441b(a). Accordingly, the file in this matter has been closed.

This matter will become part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days. If you have any questions, please contact Maura White at 523-4143.

Sincerely,

Charles N. Steele
General Counsel

Attachment 1(1)

35040563231



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Robert H. Duesenberg, General Counsel
Daniel S. Hapke, Assistant General Counsel
General Dynamics Corporation
Pierre LaCled Center
St. Louis, Missouri 63105

RE: MUR 1992
General Dynamics Corporation

Dear Mr. Duesenberg and Mr. Hapke:

This is to advise you that after an investigation was conducted, the Commission concluded on , 1985, that there is no probable cause to believe your client, the General Dynamics Corporation, violated 2 U.S.C. § 441b(a) and § 441c(a)(1). Accordingly, the file in this matter has been closed.

This matter will become part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days. If you have any questions, please contact Maura White at 523-4143.

Sincerely,

Charles N. Steele
General Counsel

GENERAL DYNAMICS CORPORATION

Pierre Laclede Center
St. Louis, Missouri 63105

Robert H. Duesenberg
Vice President & General Counsel

4 October 1985

314-889-8319

Mrs. Marjorie Emmons, Secretary
Federal Election Commission
Washington, D.C. 20463

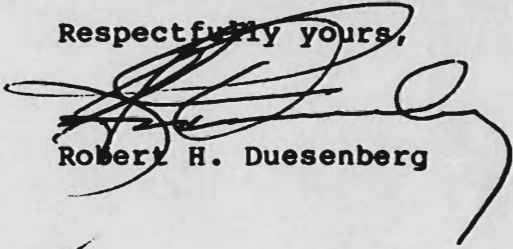
Re: MUR 1992
General Dynamics Corporation

Dear Mrs. Emmons:

We have received the 27 September 1985 letter from Charles N. Steele, General Counsel of the Federal Election Commission and the 24 September 1985 General Counsel's Brief in the Matter of General Dynamics Corporation (MUR 1992).

The General Counsel's statement of the case is consistent with the facts as we know them and as confirmed by the affidavits of certain individuals given as part of our submission, to the extent of the statements contained in those affidavits. We concur, further, in the legal analysis set forth in the General Counsel's brief and submit that his recommendations should be adopted.

Respectfully yours,


Robert H. Duesenberg

xc: Addressee (10 copies)

Federal Election Commission
Office of General Counsel (3 copies)

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GENERAL COUNSEL

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GENERAL DYNAMICS

Pierre Laclede Center, St. Louis, Missouri 63105

R. H. Duesenberg

MR. CHARLES N. STEELE
GENERAL COUNSEL
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

LEWIS, KINSEY, DACK & GOOD

TENTH FLOOR

ONE THOUSAND CONNECTICUT AVENUE, N.W.

WASHINGTON, D.C. 20036

(202) 775-8054

VIRGINIA OFFICE

SUITE 421, THE MOSBY

10560 MAIN STREET

FAIRFAX, VIRGINIA 22030

GLENN C. LEWIS *
ROY E. KINSEY, JR.
LEONARD J. DACK *
DAVID L. GOOD
EDWARD V. O'CONNOR, JR. *
JOSEPH C. PARADISO *

ALSO MEMBER OF VIRGINIA BAR *
ALSO MEMBER OF MARYLAND BAR *
ALSO MEMBER OF VIRGINIA & NEW YORK BARS *

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OF COUNSEL:
CHARLES E. ROSOLIO
SUITE 805
102 WEST PENNSYLVANIA AVENUE
TOWSON, MARYLAND 21204

October 4, 1985

Secretary
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1992
Weicker '82 Committee
Charles Muessel, as Treasurer

Dear Mr. Secretary:

Enclosed for filing is an original and ten copies of Reply to General Counsel's Brief which I am submitting on behalf of the Weicker '82 Committee.

Very truly yours,

LEWIS, KINSEY, DACK & GOOD

Roy E. Kinsey, Jr.

REK:lnb

cc: Charles N. Steele, Esquire
Weicker '82 Committee

Enclosure

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5 OCT 7 410:26
GENERAL COUNSEL

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

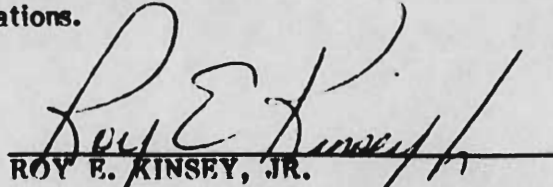
Weicker '82 Committee;)

Charles Muessel, as Treasurer)

MUR 1992

REPLY TO GENERAL COUNSEL'S BRIEF

The Weicker '82 Committee, by its undersigned attorney, has reviewed the General Counsel's brief filed herein and concurs with his Statement of the Case, Legal Analysis, and Recommendations.


ROY E. KINSEY, JR.
Attorney for Weicker '82 Committee

DATED:

35040563286

LEWIS, KINSEY, DACK & GOOD

TENTH FLOOR

1000 CONNECTICUT AVENUE, N.W.

WASHINGTON, D.C. 20036

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Charles N. Steele, General Counsel
Federal Election Committee
Washington, D.C. 20463

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FEDERAL ELECTION COMMISSION

WASHINGTON, D C 20463

September 27, 1985

Roy E. Kinsey, Jr., Esquire
Lewis, Kinsey, Dack and Good
Tenth Floor
1000 Connecticut Ave., N.W.
Washington, D.C. 20036

RE: MUR 1992
Weicker '82 Committee
Charles Muessel, as treasurer

Dear Mr. Kinsey:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on May 7, 1985, found reason to believe that your clients, the Weicker '82 Committee and Charles Muessel, as treasurer, had violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation of 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 no probable cause to believe that a violation has occurred. The Commission may or may not approve the General Counsel's recommendation.

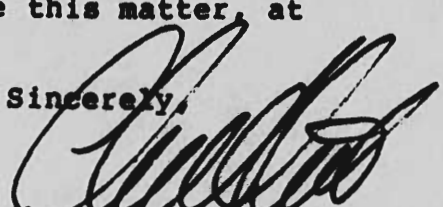
Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your clients' position on the issues 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.

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Letter to Roy E. Kinsey, Jr. Esquire
Page 2

Should you have any questions, please contact Maura White,
the staff member assigned to handle this matter, at
(202) 523-4143.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

85040563289



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

05 SEP 27 P 3: 55

September 26, 1985

SENSITIVE

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

SUBJECT: MUR #1992

Attached for the Commission's review are two briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of each brief and a letter notifying the respondents of the General Counsel's intent to recommend to the Commission findings of no probable cause to believe were mailed on September 26, 1985. Following receipt of the respondents' replies to these notices, this office will make a further report to the Commission.

Attachments

1. Briefs (2)
2. Letters to respondents (2)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Weicker '82 Committee;) MUR 1992
Charles Muessel, as treasurer)

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

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The instant matter was initiated by the Federal Election Commission pursuant to its supervisory responsibilities. On May 7, 1985, the Commission determined that there is reason to believe the Weicker '82 Committee ("Committee") and Charles Muessel, as treasurer, violated 2 U.S.C. § 441b(a) by accepting the costs of a November 11, 1981, fundraiser and/or solicitations conducted by the General Dynamics Corporation on behalf of Senator Lowell Weicker's campaign.^{1/} The Committee and its treasurer were notified of the Commission's finding on May 16, 1985. On June 10, 1985, the Committee submitted its response to the Commission's finding, which was supplemented on August 26, 1985.

The reply of the Committee contends that the dinner at issue "clearly was not a fundraiser but rather was held in connection with the commissioning of the first Trident submarine." In explanation of the events before the dinner the Committee states that Senator Weicker's personal secretary received a telephone call from Mr. Holt at the Electric Boat Division of the General Dynamics Corporation who stated that Mr. Veliotis, the

^{1/} The dinner at issue was attended by 24 guests in addition to Senator Weicker and an aide. The event was held at the Old Lyme Inn in Old Lyme, Connecticut, at a cost of \$1,608.37.

General Manager of Electric Boat, wished to host a dinner for the Senator. The Committee concludes that because the Senator's secretary did not note that the event was to be a fundraiser no such mention was made by Mr. Holt. In addition, the Committee argues that its treasurer, who was principally responsible for directing all fundraising activities, was never advised of the dinner and had he been "he would have immediately put a halt to it since he is well aware that monies spent by General Dynamics to host a political fund raising dinner for Senator Weicker would constitute a prohibited corporate contribution."

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As to Senator Weicker's press pronouncements in February 1985 that the event was a fundraiser on his behalf, the Committee states that "what the Senator may have believed the dinner to be and what the dinner actually was were two different things." It is explained that "[i]n the first instance, Senator Weicker did not believe he was attending a fund raising dinner on his behalf hosted by General Dynamics. That impression arose later when he first arrived at the dinner during cocktail hour and was approached by Mr. Veliotis who advised that he would personally be soliciting the attending guests."^{2/} According to the response, "[i]t was that conversation, recalled more than three years later, which gave the Senator the impression that General Dynamics may have been hosting the event as a fundraiser on his

^{2/} The response states that "[t]his was the first and, in the Senator's recollection, the only reference during the evening to the fact that Mr. Veliotis might have intended to solicit campaign contributions from the invited guests." It was noted that Senator Weicker did not stay for the entire dinner.

behalf instead of a dinner honoring his past support for the General Dynamics Electric Boat Division in Connecticut."

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In support of its contention that no violation of 2 U.S.C. § 441b(a) occurred the Committee maintains that it has "contacted several individuals who were on the guest list and they advise that Mr. Veliotis at no time solicited them for political contributions during the course of the dinner nor did they later receive any letter from Mr. Veliotis urging that they join him in financially supporting the Weicker '82 campaign."^{3/} The Committee further notes that although certain of the invited guests contributed to the Committee, "[t]heir contributions upon information and belief, were received well in advance of the date of the dinner and were not made in consideration or as a result of being invited to the dinner." Moreover, "all of these individuals were financial supporters of past Weicker campaigns." In conclusion, the Committee notes that when Senator Weicker stated that all funds raised at the November 11, 1981, dinner were reported by the Committee^{4/}, the Senator "did

^{3/} According to the Committee's response, Senator Weicker did not give a prepared speech at the dinner but made "a few cursory gratuitous remarks thanking his hosts just prior to an early departure." The Committee's response further states, based upon the recollection of one of the dinner's guests, "that at no time did Mr. Veliotis or any other representative of Electric Boat make any statements to the gathering in support of the Senator's renomination or election to the United States Senate nor were any remarks made in opposition to any other candidate or potential candidate for nomination or election to Senator Weicker's seat." This office notes that Mr. Veliotis is a fugitive at this time and, therefore, it is not possible to obtain information from him.

Neither the Committee nor the General Dynamics Corporation were able to provide a copy of the invitation to the event.

^{4/} The February 27, 1985, edition of The New London Day reported Senator Weicker as saying all funds raised at the dinner were reported in accordance with federal election laws.

not know for a fact at that time whether or not any contributions had actually been received by any of the guests and whether these contributions had, in fact, been solicited by Mr. Veliotis."

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The Committee's position that the event at issue was not a fundraiser is substantiated by information obtained from the General Dynamics Corporation in the course of this investigation. The General Dynamics Corporation has similarly claimed that the event was a "testimonial dinner to honor the Senator in conjunction with the commissioning of the USS Ohio Trident Submarine," and that "[a]t no time did General Dynamics assume that this matter was in any way connected with the Senator's re-election campaign or any fundraising attendant thereto." The General Dynamics Corporation has concluded that no forms of solicitation were made before, during, or after the dinner, and "[a]ny correspondence or statements by Veliotis to the effect that this was a fundraiser are incorrect and not in accordance with General Dynamics company policy." In addition, General Dynamics submitted the affidavits of seven guests at the dinner all of which confirm the fact that no solicitations were made before, during, or after the dinner by any person known by the affiants to be employees of General Dynamics.^{5/}

II. Legal Analysis

Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution or an expenditure in connection with a

^{5/} The General Dynamics Corporation also stated that none of the persons whom they contacted who attended the event recalls Mr. Veliotis soliciting contributions or "votes" for Senator Weicker at the event.

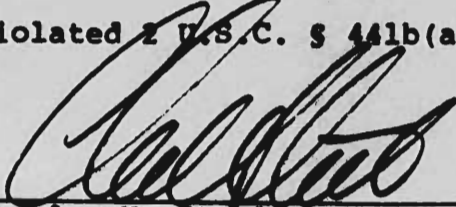
federal election, and a candidate, political committee or other person is prohibited from knowingly accepting or receiving a contribution from a corporation.

From the evidence in hand it appears that the November 11, 1981, dinner at issue was conducted by the General Dynamics Corporation for the purpose of honoring Senator Weicker in conjunction with the commissioning of the USS Ohio Trident Submarine. Thus, it appears that the dinner did not constitute a fundraiser on behalf of Senator Weicker's political campaign. It also appears that at the time of, and subsequent to, the November 11, 1981, dinner the General Dynamics Corporation (including its agents) did not solicit contributions for Senator Weicker's political campaign from those individuals who attended the event at issue. Several individuals also have attested that at no time before, during, or after the dinner did any individual associated with the General Dynamics Corporation suggest that a contribution be made to Senator Weicker's campaign. Based upon the foregoing, it is the recommendation of the Office of the General Counsel that the Commission find no probable cause to believe the Weicker '82 Committee and Charles Muessel, as treasurer, violated 2 U.S.C. § 441b(a) by accepting the costs of a fundraiser and/or solicitations conducted by the General Dynamics Corporation on behalf of Senator Lowell Weicker's political campaign.

III. General Counsel's Recommendations

Find no probable cause to believe the Weicker '82 Committee and Charles Muessel, as treasurer, violated 2 U.S.C. § 441b(a).

24 Sept 1985
Date



Charles N. Steele
General Counsel

85040563296



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Roy E. Kinsey, Jr., Esquire
Lewis, Kinsey, Dack and Good
Tenth Floor
1000 Connecticut Ave., N.W.
Washington, D.C. 20036

RE: MUR 1992
Weicker '82 Committee
Charles Muessel, as treasurer

Dear Mr. Kinsey:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on May 7, 1985, found reason to believe that your clients, the Weicker '82 Committee and Charles Muessel, as treasurer, had violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation of 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 no probable cause to believe that a violation has occurred. The Commission may or may not approve the General Counsel's recommendation.

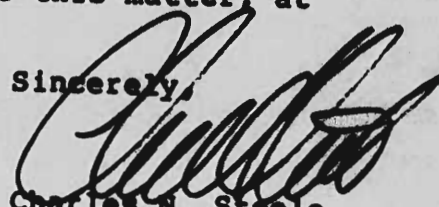
Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your clients' position on the issues 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.

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Letter to Roy E. Kinsey, Jr. Esquire
Page 2

Should you have any questions, please contact Maura White,
the staff member assigned to handle this matter, at
(202) 523-4143.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
General Dynamics Corporation) MUR 1992

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

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The instant matter was initiated by the Federal Election Commission pursuant to its supervisory responsibilities. On May 7, 1985, the Commission determined that there is reason to believe the General Dynamics Corporation violated 2 U.S.C. §§ 441b(a) and § 441c(a)(1) by paying the costs of a November 11, 1981, fundraiser on behalf of Senator Lowell Weicker and/or the costs of solicitations on behalf of Senator Weicker's campaign. The General Dynamics Corporation was notified of the Commission's finding on May 16, 1985. On June 28, 1985, the General Dynamics Corporation responded to the Commission's finding and interrogatories. The response of the General Dynamics Corporation was supplemented on several dates between July 3, 1985, and August 22, 1985.

In response to the Commission's finding the General Dynamics Corporation represents that the purpose of the November 11, 1981, event at issue which was hosted by P. Takis Veliotis, then General Manager of the Electric Boat Division, "was a testimonial dinner to honor the Senator in conjunction with the commissioning of the USS Ohio Trident Submarine which took place in New London,

Connecticut earlier that day."1/ It is the position of the General Dynamics Corporation that "[a]t no time did General Dynamics assume that this matter was in any way connected with the Senator's re-election campaign or any fundraising attendant thereto."2/

The response of the General Dynamics Corporation further explains that "Mr. L.E. Holt, who was then Assistant General Manager of Public Affairs for the Electric Boat Division of the General Dynamics Corporation, recalls that he supervised the arrangements for the dinner and that about a week prior to the affair Senator Weicker called and asked if the dinner was a fundraiser.... [and] the Senator was informed that it was not."3/ In an affidavit submitted with General Dynamics' response L.E. Holt explains that P. Takis Veliotis sent a letter to Senator Weicker on November 13, 1981, stating that he would solicit the dinner's attendees for contributions to Senator Weicker's campaign. According to the affidavit of L. Emmett Holt, he was

1/ The General Dynamics Corporation stated that the cost of the dinner was \$1,608.37, and that it was attended by 24 guests in addition to Senator Weicker and an aide. The dinner was held at the Old Lyme Inn in Old Lyme, Connecticut. The names of all guests were provided by the General Dynamics Corporation.

2/ On February 21, 1985, Edward J. LeFerre, Corporate Vice-President of the General Dynamics Corporation, sent Senator Weicker a letter in response to "allegations by ABC's 20/20 program" which stated in part: "As you know, this dinner was not a political fundraiser but was organized as a private dinner party for honored guests in conjunction with the commissioning of the USS Ohio Trident Submarine...."

3/ Neither the General Dynamics Corporation nor the Weicker '82 Committee were able to provide a copy of the invitation to the event.

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subsequently informed that Mr. Veliotis "had changed his mind and was not going to make such a solicitation." L.E. Holt also attests that the "implementation of such a solicitation would have been one of my responsibilities and to the best of my knowledge and belief, none was ever made by any employee of the General Dynamics Corporation of anyone who was present at the dinner." The General Dynamics Corporation, insists, therefore, that no "forms of solicitation were made before, during or after the dinner," and that "[a]ny correspondence or statements by Veliotis to the effect that this was a fundraiser are incorrect and not in accordance with General Dynamics company policy."

According to the response submitted by the General Dynamics Corporation, "Electric Boat counsel, Merle J. Smith, has spoken to most of those who attended the dinner [and] without exception these people stated that contributions were never solicited of them." Several affidavits of individuals who attended the event involved herein were provided by the General Dynamics Corporation in its defense.^{4/} The affidavits of L. Patrick Gray, Beatrice Kirk Gray, Arthur M. Barton, Thomas D. Kiddy, Mary Boatwright, and William Gorvine support General Dynamics' claim that no contributions were solicited of them for Senator Weicker's campaign either before, during, or after the November 11, 1981, dinner by any person known by the affiants to be employees of the General Dynamics Corporation. In addition,

^{4/} The response of General Dynamics notes that "[t]hose whose affidavits are not submitted stated a preference not to become involved."

35040563301

The position of the General Dynamics Corporation that the event at issue was not a fundraiser is substantiated by information obtained from the Weicker '82 Committee in the course of this investigation. The Weicker '82 Committee similarly claims that the November 11, 1981, dinner "was not a fundraiser but rather was held in connection with the commissioning of the first Trident submarine." As to Senator Weicker's press pronouncements in February 1985 that the event was a fundraiser on his behalf, the Weicker '82 Committee states that "what the Senator may have believed the dinner to be and what the dinner actually was, were two different things." It is explained that "[i]n the first instance, Senator Weicker did not believe he was attending a fundraising dinner on his behalf hosted by General Dynamics. That impression arose later when he first arrived at the dinner during cocktail hour and was approached by Mr. Veliotis who advised that he would personally be soliciting

5/ The supplemental response of the General Dynamics Corporation also states that Mr. Veliotis was the only company official who spoke at the dinner and that his "remarks were laudatory of Weicker's performance as the U.S. Senator from Connecticut and Velotis expressed appreciation for the support [the] Senator gives to the Electric Boat Division." This office notes that Mr. Veliotis is a fugitive at this time and, therefore, it is not possible to obtain information from him.

the attending guests."^{6/} According to the response, "[i]t was that conversation, recalled more than three years later, which gave the Senator the impression that General Dynamics may have been hosting the event as a fundraiser on his behalf instead of a dinner honoring his past support for General Dynamics Electric Boat Division in Connecticut."

In further support of its contention that no violation occurred the Weicker '82 Committee argues that its treasurer, who is principally responsible for directing all fundraising activities, was never advised of the dinner in question. The Weicker '82 Committee also emphasized that it contacted "several individuals who were on the guest list and they advise that Mr. Veliotis at no time solicited them for political contributions during the course of the dinner nor did they later receive any letter from Mr. Veliotis urging that they join him in financially supporting the Weicker '82 campaign."

II. Legal Analysis

Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution or an expenditure in connection with a federal election, and a candidate, political committee or other person is prohibited from knowingly accepting or receiving a contribution from a corporation.

^{6/} The Committee notes that "[t]his was the first and, in the Senator's recollection, the only reference during the evening to the fact that Mr. Veliotis might have intended to solicit campaign contributions from the invited guests."

According to the Committee's reply, Senator Weicker "gave no prepared speech at the dinner and simply made a few cursory gratuitous remarks thanking his hosts just prior to an early departure."

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As set forth at 2 U.S.C. § 441c(a)(1) a federal contractor is prohibited from directly or indirectly making any contribution of money or other things of value, or to promise expressly or impliedly to make any such contribution or expenditure to any political party, committee or candidate for public office or to any person for any political purpose or use.

From the evidence in hand it appears that the November 11, 1981, dinner at issue was conducted by the General Dynamics Corporation for the purpose of honoring Senator Weicker in conjunction with the commissioning of the USS Ohio Trident Submarine. Thus, it appears that the dinner did not constitute a fundraiser on behalf of Senator Weicker's political campaign. It also appears that at the time of, and subsequent to, the November 11, 1981, dinner the General Dynamics Corporation (including its agents) did not solicit contributions for Senator Weicker's political campaign from those individuals who attended the event at issue. Several individuals also have attested that at no time before, during, or after the dinner did any individual associated with the General Dynamics Corporation suggest that a contribution be made to Senator Weicker's campaign. Based upon the foregoing, it is the recommendation of the Office of the General Counsel that the Commission find no probable cause to believe the General Dynamics Corporation violated 2 U.S.C. §§ 441b(a) and § 441c(a)(1) by paying the costs of a fundraiser and/or the costs of solicitations on behalf of Senator Lowell Weicker's political campaign.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 27, 1985

Robert H. Duesenberg, General Counsel
Daniel S. Hapke, Assistant General Counsel
General Dynamics Corporation
Pierre Laclède Center
St. Louis, Missouri 63105

RE: MUR 1992
General Dynamics Corporation

Dear Mr. Duesenberg and Mr. Hapke:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on May 7, 1985, found reason to believe that your client, the General Dynamics Corporation, had violated 2 U.S.C. §§ 441b(a) and 441c(a)(1), provisions of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation of this matter.

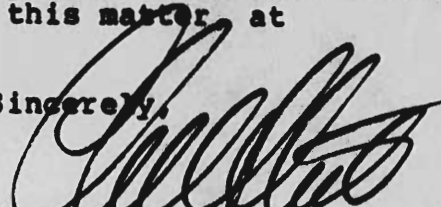
After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that violations have occurred. The Commission may or may not approve the General Counsel's recommendation.

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 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.

Letter to Robert H. Duesenberg, General Counsel
Daniel S. Hapke, Assistant General Counsel
Page 2

Should you have any questions, please contact Maura White,
the staff member assigned to handle this matter, at
(202) 523-4143.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

35040563306

05C Docket

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

05 SEP 27 P 3: 55

September 26, 1985

SENSITIVE

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

SUBJECT: MUR #1992

Attached for the Commission's review are two briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of each brief and a letter notifying the respondents of the General Counsel's intent to recommend to the Commission findings of no probable cause to believe were mailed on September 26, 1985. Following receipt of the respondents' replies to these notices, this office will make a further report to the Commission.

Attachments

1. Briefs (2)
2. Letters to respondents (2)

35040563307

General Manager of Electric Boat, wished to host a dinner for the Senator. The Committee concludes that because the Senator's secretary did not note that the event was to be a fundraiser no such mention was made by Mr. Holt. In addition, the Committee argues that its treasurer, who was principally responsible for directing all fundraising activities, was never advised of the dinner and had he been "he would have immediately put a halt to it since he is well aware that monies spent by General Dynamics to host a political fund raising dinner for Senator Weicker would constitute a prohibited corporate contribution."

As to Senator Weicker's press pronouncements in February 1985 that the event was a fundraiser on his behalf, the Committee states that "what the Senator may have believed the dinner to be and what the dinner actually was were two different things." It is explained that "[i]n the first instance, Senator Weicker did not believe he was attending a fund raising dinner on his behalf hosted by General Dynamics. That impression arose later when he first arrived at the dinner during cocktail hour and was approached by Mr. Veliotis who advised that he would personally be soliciting the attending guests."^{2/} According to the response, "[i]t was that conversation, recalled more than three years later, which gave the Senator the impression that General Dynamics may have been hosting the event as a fundraiser on his

^{2/} The response states that "[t]his was the first and, in the Senator's recollection, the only reference during the evening to the fact that Mr. Veliotis might have intended to solicit campaign contributions from the invited guests." It was noted that Senator Weicker did not stay for the entire dinner.

not know for a fact at that time whether or not any contributions had actually been received by any of the guests and whether these contributions had, in fact, been solicited by Mr. Veliotis."

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The Committee's position that the event at issue was not a fundraiser is substantiated by information obtained from the General Dynamics Corporation in the course of this investigation. The General Dynamics Corporation has similarly claimed that the event was a "testimonial dinner to honor the Senator in conjunction with the commissioning of the USS Ohio Trident Submarine," and that "[a]t no time did General Dynamics assume that this matter was in any way connected with the Senator's re-election campaign or any fundraising attendant thereto." The General Dynamics Corporation has concluded that no forms of solicitation were made before, during, or after the dinner, and "[a]ny correspondence or statements by Veliotis to the effect that this was a fundraiser are incorrect and not in accordance with General Dynamics company policy." In addition, General Dynamics submitted the affidavits of seven guests at the dinner all of which confirm the fact that no solicitations were made before, during, or after the dinner by any person known by the affiants to be employees of General Dynamics.^{5/}

II. Legal Analysis

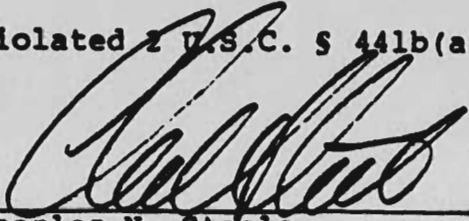
Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution or an expenditure in connection with a

^{5/} The General Dynamics Corporation also stated that none of the persons whom they contacted who attended the event recalls Mr. Veliotis soliciting contributions or "votes" for Senator Weicker at the event.

III. General Counsel's Recommendations

Find no probable cause to believe the Weicker '82 Committee and Charles Muessel, as treasurer, violated 2 U.S.C. § 441b(a).

24 Sept 1985
Date

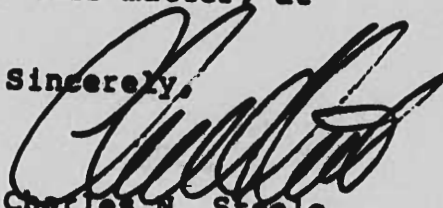

Charles N. Steele
General Counsel

35040563310

Letter to Roy E. Kinsey, Jr. Esquire
Page 2

Should you have any questions, please contact Maura White,
the staff member assigned to handle this matter, at
(202) 523-4143.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

85040563311

Connecticut earlier that day."1/ It is the position of the General Dynamics Corporation that "[a]t no time did General Dynamics assume that this matter was in any way connected with the Senator's re-election campaign or any fundraising attendant thereto."2/

The response of the General Dynamics Corporation further explains that "Mr. L.E. Holt, who was then Assistant General Manager of Public Affairs for the Electric Boat Division of the General Dynamics Corporation, recalls that he supervised the arrangements for the dinner and that about a week prior to the affair Senator Weicker called and asked if the dinner was a fundraiser.... [and] the Senator was informed that it was not."3/ In an affidavit submitted with General Dynamics' response L.E. Holt explains that P. Takis Veliotis sent a letter to Senator Weicker on November 13, 1981, stating that he would solicit the dinner's attendees for contributions to Senator Weicker's campaign. According to the affidavit of L. Emmett Holt, he was

1/ The General Dynamics Corporation stated that the cost of the dinner was \$1,608.37, and that it was attended by 24 guests in addition to Senator Weicker and an aide. The dinner was held at the Old Lyme Inn in Old Lyme, Connecticut. The names of all guests were provided by the General Dynamics Corporation.

2/ On February 21, 1985, Edward J. LeFerre, Corporate Vice-President of the General Dynamics Corporation, sent Senator Weicker a letter in response to "allegations by ABC's 20/20 program" which stated in part: "As you know, this dinner was not a political fundraiser but was organized as a private dinner party for honored guests in conjunction with the commissioning of the USS Ohio Trident Submarine...."

3/ Neither the General Dynamics Corporation nor the Weicker '82 Committee were able to provide a copy of the invitation to the event.

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The position of the General Dynamics Corporation that the event at issue was not a fundraiser is substantiated by information obtained from the Weicker '82 Committee in the course of this investigation. The Weicker '82 Committee similarly claims that the November 11, 1981, dinner "was not a fundraiser but rather was held in connection with the commissioning of the first Trident submarine." As to Senator Weicker's press pronouncements in February 1985 that the event was a fundraiser on his behalf, the Weicker '82 Committee states that "what the Senator may have believed the dinner to be and what the dinner actually was, were two different things." It is explained that "[i]n the first instance, Senator Weicker did not believe he was attending a fundraising dinner on his behalf hosted by General Dynamics. That impression arose later when he first arrived at the dinner during cocktail hour and was approached by Mr. Veliotis who advised that he would personally be soliciting

5/ The supplemental response of the General Dynamics Corporation also states that Mr. Veliotis was the only company official who spoke at the dinner and that his "remarks were laudatory of Weicker's performance as the U.S. Senator from Connecticut and Velotis expressed appreciation for the support [the] Senator gives to the Electric Boat Division." This office notes that Mr. Veliotis is a fugitive at this time and, therefore, it is not possible to obtain information from him.

As set forth at 2 U.S.C. § 441c(a)(1) a federal contractor is prohibited from directly or indirectly making any contribution of money or other things of value, or to promise expressly or impliedly to make any such contribution or expenditure to any political party, committee or candidate for public office or to any person for any political purpose or use.

From the evidence in hand it appears that the November 11, 1981, dinner at issue was conducted by the General Dynamics Corporation for the purpose of honoring Senator Weicker in conjunction with the commissioning of the USS Ohio Trident Submarine. Thus, it appears that the dinner did not constitute a fundraiser on behalf of Senator Weicker's political campaign. It also appears that at the time of, and subsequent to, the November 11, 1981, dinner the General Dynamics Corporation (including its agents) did not solicit contributions for Senator Weicker's political campaign from those individuals who attended the event at issue. Several individuals also have attested that at no time before, during, or after the dinner did any individual associated with the General Dynamics Corporation suggest that a contribution be made to Senator Weicker's campaign. Based upon the foregoing, it is the recommendation of the Office of the General Counsel that the Commission find no probable cause to believe the General Dynamics Corporation violated 2 U.S.C. §§ 441b(a) and § 441c(a)(1) by paying the costs of a fundraiser and/or the costs of solicitations on behalf of Senator Lowell Weicker's political campaign.

35040563314



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Robert H. Duesenberg, General Counsel
Daniel S. Hapke, Assistant General Counsel
General Dynamics Corporation
Pierre Laclède Center
St. Louis, Missouri 63105

RE: MUR 1992
General Dynamics Corporation

Dear Mr. Duesenberg and Mr. Hapke:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on May 7, 1985, found reason to believe that your client, the General Dynamics Corporation, had violated 2 U.S.C. §§ 441b(a) and 441c(a)(1), provisions of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation of 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 no probable cause to believe that violations have occurred. The Commission may or may not approve the General Counsel's recommendation.

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 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.

35040563315

LEWIS, KINSEY, DACK & GOOD

TENTH FLOOR

ONE THOUSAND CONNECTICUT AVENUE, N.W.

WASHINGTON, D.C. 20036

(202) 775-8054

VIRGINIA OFFICE

SUITE 421, THE MOSBY

10560 MAIN STREET

FAIRFAX, VIRGINIA 22030

GLENN C. LEWIS *
ROY E. KINSEY, JR.
LEONARD J. DACK †
DAVID L. GOOD
EDWARD V. O'CONNOR, JR. *
JOSEPH C. PARADISO +

ALSO MEMBER OF VIRGINIA BAR *
ALSO MEMBER OF MARYLAND BAR +
ALSO MEMBER OF VIRGINIA & NEW YORK BARS †

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GCC# 8379
85 AUG 28 AM: 00

OF COUNSEL:
CHARLES E. ROSOLIO
SUITE 505
102 WEST PENNSYLVANIA AVENUE
TOWSON, MARYLAND 21204

August 21, 1985

Maura White, Esquire
Federal Election Commission
Washington, D.C. 20463

Re: MUR1992; Weicker '82 Committee; Charles Mucassel, as Treasurer

Dear Ms. White:

Per our recent telephone conversation, I have spoken directly to Senator Weicker and to Mrs. Mary Boatwright concerning the additional information you requested with regard to the dinner held at the Old Lyme Inn on the evening of November 11, 1981 hosted by Mr. P. Takis Veliotis, then General Manager of the Electric Boat Division of the General Dynamics Corporation.

Senator Weicker advised that he gave no prepared speech at the dinner and simply made a few cursory gratuitous remarks thanking his hosts just prior to an early departure.

I spoke directly with Mrs. Mary Boatwright, who was in attendance during the entire course of the dinner. She advised, based on her recollection, that at no time did Mr. Veliotis or any other representative of Electric Boat make any statements to the gathering in support of the Senator's renomination or election to the United States Senate nor were any remarks made in opposition to any other candidate or potential candidate for nomination or election to Senator Weicker's seat.

I have not been able to locate any invitation for the dinner but should one turn up, I will forward it on to you.

I hope this additional information will be of further assistance to you and the Commission in their review of this matter and if you have any further questions, please do not hesitate to contact me.

Very truly yours,

LEWIS, KINSEY, DACK & GOOD

Roy E. Kinsey, Jr.

REK:lsg

cc: Weicker '82 Committee

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GENERAL INVESTIGATIVE
DIVISION

VIS, KINSEY, DACK & GOOD

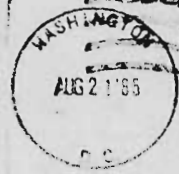
TENTH FLOOR

1000 CONNECTICUT AVENUE, N.W.

WASHINGTON, D.C. 20036

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Maura White, Esquire
Federal Election Commission
Washington, DC 20463



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85 AUG 22 17:58

GENERAL DYNAMICS CORPORATION

Pierre Laclede Center
St. Louis, Missouri 63105

19 August 1985

Daniel S. Hapke, Jr.
Corporate Assistant General Counsel

314-889-8321

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

Re: MUR 1992

Dear Ms. White:

During a telephone conversation you and I had on 24 July 1985, you posed some additional questions with regard to the above matter under review. Those questions were:

1. Could General Dynamics supply the Commission with a copy of the invitation to the "Weicker Dinner"?
2. Could General Dynamics tell the Commission whether or not during this event any official of General Dynamics advocated that people attending the dinner either contribute to Senator Weicker's reelection campaign or vote for the Senator's reelection?

We have searched our files at the Electric Boat Division and are not able to locate any copies of the invitation to this dinner.

The people who attended this dinner with whom we have spoken recall that the Electric Boat Division General Manager, P. T. Veliotis, was the only company official who spoke at the dinner. Mr. Veliotis' remarks were laudatory of Weicker's performance as the U.S. Senator from Connecticut and Veliotis expressed appreciation for the support Senator gives to the Electric Boat Division. No one recalls Veliotis soliciting contributions nor votes.

We believe we have adequately answered your questions with regard to this matter and request a determination in favor of General Dynamics in this regard.

Sincerely,

Daniel S. Hapke, Jr.
Daniel S. Hapke, Jr.

DSH:kl

cc: Merle J. Smith

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FEDERAL ELECTION COMMISSION
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Ms. Maura White
Federal Election Commission
1325 K Street, NW
Washington, D.C. 20463



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85 JUL 25 10:00

BEFORE THE FEDERAL ELECTION COMMISSION

In re: MUR 1992
General Dynamics Corporation

AFFIDAVIT OF
MARY BOATWRIGHT

RECEIVED
GENERAL DYNAMICS
JUL 25 10:00

MARY BOATWRIGHT, being duly sworn, deposes and says:

1. I was in attendance at a dinner at the Old Lyme Inn on the evening of November 11, 1981, at which Senator Lowell Weicker was the guest of honor. The host of this affair was Mr. P. Takis Veliotis, then General Manager of the Electric Boat Division of General Dynamics Corporation.

2. At no time, either before, during or after the subject dinner, was a contribution to Senator Weicker's political campaign solicited of me by Mr. Veliotis or any other person known to be an employee of the General Dynamics Corporation, nor was there any suggestion of such contribution, to the best of my knowledge and belief.

Sworn to this 12th day of
July, 1985, at Stonington
Connecticut.

Mary Boatwright
MARY BOATWRIGHT

Sworn to before me this 12th day of July, 1985.

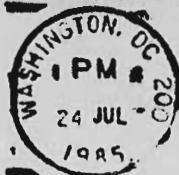
Ann A. Fellen
Notary Public My Commission Expires Mar. 31, 1989

35040563320

GENERAL DYNAMICS

Electric Boat Division

BERN POINT ROAD, GROTON, CONNECTICUT 06340



Ms. Maura White
Federal Election Commission
1325 K. Street N.W.
Washington, DC 20463

5040563321

85 JUL 25 4:00 PM

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED AT THE FEC
GCC# 8068
85 JUL 22 4:20

In re: MUR 1992
General Dynamics Corporation

AFFIDAVIT OF
L. EMMETT HOLT

L. EMMETT HOLT being duly sworn, deposes and says:

1. In November of 1981 I was the Assistant General Manager of Public Affairs for the Electric Boat Division of General Dynamics Corporation. In that capacity, I supervised the arrangements for the dinner on November 11, 1981, at the direction of P. Takis Veliotis, the Division General Manager. The guest of honor for this dinner was Senator Lowell Weicker.

2. About a week prior to the affair, Senator Weicker called and asked if it was a fundraiser. I informed him that this was not my impression. To the best of my knowledge there was no representation at the dinner or in the invitations thereto describing it as a fundraising activity.

3. On November 13, 1981, P. T. Veliotis sent a letter to Senator Weicker which did say that he would make a solicitation of all of the attendees for contributions to Senator Weicker's political campaign (Enclosure 1). Shortly thereafter, however, he expressed to me that he had changed his mind and was not going to make

85040563322

such a solicitation. The implementation of such a solicitation would have been one of my responsibilities and to the best of my knowledge and belief, none was ever made by any employee of the General Dynamics Corporation of anyone who was present at the dinner.

Sworn to this 16th day of
July, 1985 at
Massachusetts.

L. Emmett Holt
L. EMMETT HOLT

Sworn to before me this 16 day of July, 1985.

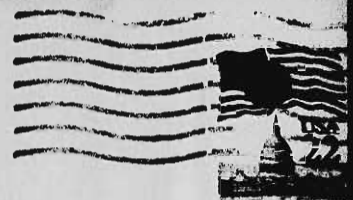
Constance S. Jones
Notary Public
My Commission expires June 26, 1992

35040563323

GENERAL DYNAMICS

Boat Division

POINT ROAD, GROTON, CONNECTICUT 06340



Ms. Maura White
Federal Election Commission
1325 K. Street N.W.
Washington, DC 20463

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FEC

FOLEY, HOAG & ELIOT

ONE POST OFFICE SQUARE
BOSTON, MASSACHUSETTS 02109

TELEPHONE: (617) 482-1380

CABLE ADDRESS "FOLEYHOAG"

TELECOPIER (617) 482-7347

TELEX 840893

OF COUNSEL
WILLIAM GORVINE

RECEIVED AT THE FEC

GCC# 8033

85 JUL 17 PM 12:28

IN WASHINGTON, D.C.

1718 NEW HAMPSHIRE AVENUE, N.W.

WASHINGTON, D.C. 20006

TELEPHONE: (202) 687-7734

July 2, 1985

Ms. Maura White
Federal Election Commission
Washington, D.C. 20463

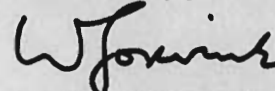
Re: MUR 1992

Dear Ms. White:

I have been informed that you are conducting the subject FEC investigation into the dinner given in honor of Senator Lowell Weicker on November 11, 1981. Attached for your information is an affidavit setting forth the facts, to the best of my recollection, concerning what appears to be the primary question involved in your investigation.

If I can be of any further assistance, please do not hesitate to get in touch with me.

Sincerely,



William Gorvine

35040563325

15 JUL 17 PM 12:40

BEFORE THE FEDERAL ELECTION COMMISSION

* * * * *

In re: MUR 1992
General Dynamics Corporation

* * * * *

AFFIDAVIT OF
WILLIAM GORVINE

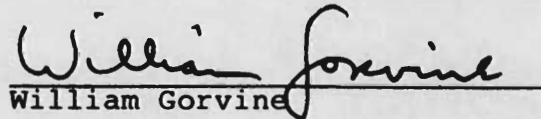
WILLIAM GORVINE, being duly sworn, deposes and says:

1. I was Division Counsel of the Electric Boat Division of General Dynamics Corporation from February 29, 1956 to October 14, 1983.

2. I was in attendance at a dinner at the Old Lyme Inn on the evening of November 11, 1981, at which Senator Lowell Weicker was the guest of honor. The host of this affair was Mr. P. Takis Veliotis, then General Manager of the Electric Boat Division of General Dynamics Corporation.

3. At no time, either before, during or after the subject dinner, was a contribution to Senator Weicker's political campaign solicited of me or my wife by Mr. Veliotis or any other person known to be an employee of General Dynamics Corporation, nor was there any suggestion of such contribution, to the best of my knowledge and belief.

Sworn to this 2nd day of July, 1985, at Boston,
Massachusetts.


William Gorvine

Sworn to before me this 2nd day of July, 1985.

Notary Public

35040563326

KEY, HOAG & ELIOT

NE POST OFFICE SQUARE

ON, MASSACHUSETTS 02109

85040563327

Ms. Maura White
Federal Election Commission
Washington, D.C. 20463



85 JUL 17 12:20



BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED AT THE FEC
GCC# 7983
85 JUL 11 PM 2:00

In re: MUR 1992
General Dynamics Corporation

AFFIDAVIT OF
THOMAS D. KIDDY

35 JUL 11 PM 2:21

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

THOMAS D. KIDDY being duly sworn, deposes and says:

1. I am the President of the Metal Trades Council, the principal bargaining unit representing trade employees of the Electric Boat Division of General Dynamics Corporation. I was in New York on business when I received a call from L.E. Holt, Assistant General Manager for Public Affairs of the Electric Boat Division of General Dynamics Corporation, inviting me to a dinner party in honor of Senator Weicker on November 11, 1981. The only discussion was that it was a small dinner party for Senator Weicker and that Mr. Veliotis, the General Manager, would like for me to attend if I could. I was never advised that the affair was a fund raising activity.

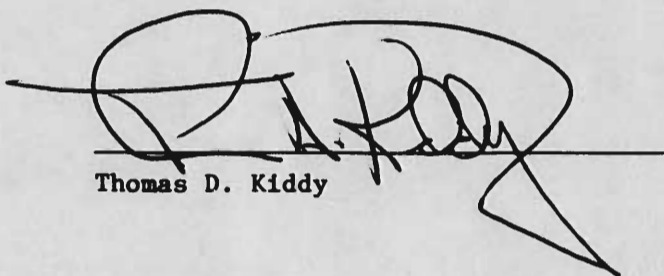
2. Senator Weicker only stayed approximately 45 minutes, He made a short speech in which he praised P.T. Veliotis as a shipbuilder. Mr. Veliotis made similar laudatory comments about Senator Weicker and I made a few comments regarding the fact that Labor and the Company could work together as evidenced by the 1979 settlement.

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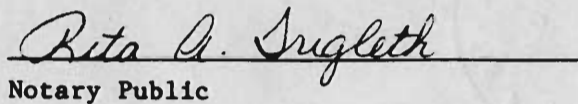
3. I was never approached regarding making a contribution for Senator Weicker's campaign nor was there any discussion to my knowledge about contributions by anyone at the dinner.

Sworn to this 1st day of

July, 1985, at Groton,
Connecticut.


Thomas D. Kiddy

Sworn to before me this 1st day of July, 1985.


Notary Public

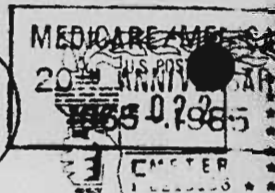
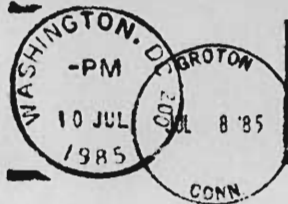
RITA A. TRIGLETH
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1987

85040563329

Mr. Thomas Kiddy
Union Hall
Pleasant Street
Groton, CT 06340

3

Ms. Maura White
Federal Election Commission
1325 K. Street N.W.
Washington, DC 20463



85 JUL 11

12:30

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BCC# 7967
05 JUL 85 10:00

BEFORE THE FEDERAL ELECTION COMMISSION

In re: MUR 1992
General Dynamics Corporation

AFFIDAVIT OF
ARTHUR M. BARTON

35 JUL 10 11:30Z

RECEIVED
GENERAL DYNAMICS

ARTHUR M. BARTON, being duly sworn, deposes and says:

1. I was in attendance at a dinner at the Old Lyme Inn on the evening of November 11, 1981, at which Senator Lowell Weicker was the guest of honor. The host of this affair was Mr. P. Takis Veliotis, then General Manager of the Electric Boat Division of General Dyanmics Corporation.

2. At no time, either before, during or after the subject dinner, was a contribution to Senator Weicker's political campaign solicited of me or my wife by Mr. Veliotis or any other person known to be an employee of the General Dynamics Corporation, nor was there any suggestion of such contribution, to the best of my knowledge and belief.

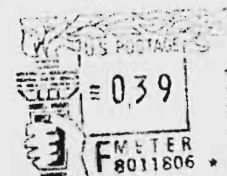
Sworn to this 27th day of
June, 1985, at
Connecticut.

Arthur M. Barton
ARTHUR M. BARTON

Sworn to before me this 27th day of June, 1985.

C. L. Poulis
Notary Public

3504056331



GENERAL DYNAMICS

*Electric Boat Division
Eastern Point Road, Groton, Connecticut 06340*

DEPT.

602

Ms. Maura White
Federal Election Commission
1325 K. Street N.W.
Washington, DC 20463

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BEFORE THE FEDERAL ELECTION COMMISSION

In re: MUR 1992
General Dynamics Corporation

AFFIDAVIT OF
L. PATRICK GRAY, III

RECEIVED
GENERAL COUNCIL
JUL 3 10 58 AM '85

L. PATRICK GRAY, III, being duly sworn, deposes and says:

1. I was in attendance at a dinner at the Old Lyme Inn the evening of November 11, 1981, at which Senator Lowell Weicker was the guest of honor. The host of this affair was Mr. P. Takis Veliotis, then General Manager of the Electric Boat Division of General Dyanmics Corporation.

2. At no time, either before, during or after the subject dinner, was a contribution to Senator Weicker's political campaign solicited of me by Mr. Veliotis or any other person known to be an employee of the General Dynamics Corporation, nor was there any suggestion of such contribution, to the best of my knowledge and belief.

Sworn to this 28th day of June, 1985, at New London Connecticut.

L. Patrick Gray, III
L. PATRICK GRAY, III

Sworn to before me this 28th day of June, 1985.

Wanda Redahan
Notary Public
WANDA REDAHAN
NOTARY PUBLIC
MY COMMISSION EXPIRES 3/31/88

85040563335

BEFORE THE FEDERAL ELECTION COMMISSION

In re: MUR 1992
General Dynamics Corporation

AFFIDAVIT OF
BEATRICE KIRK GRAY

BEATRICE KIRK GRAY, being duly sworn, deposes and says:

1. I was in attendance at a dinner at the Old Lyme Inn on the evening of November 11, 1981, at which Senator Lowell Weicker was the guest of honor. The host of this affair was Mr. P. Takis Veliotis, then General Manager of the Electric Boat Division of General Dyanmics Corporation.

2. At no time, either before, during or after the subject dinner, was a contribution to Senator Weicker's political campaign solicited of me by Mr. Veliotis or any other person known to be an employee of the General Dynamics Corporation, nor was there any suggestion of such contribution, to the best of my knowledge and belief.

Sworn to this 28th day of
JUNE, 1985, at Stonington
Connecticut.

Beatrice Kirk Gray
BEATRICE KIRK GRAY

Sworn to before me this 28th day of June, 1985.

Barbara V. de Castro
Notary Public
My commission expires on the
thirty-first day of March 1990

8504056334

GENERAL DYNAMICS CORPORATION

Pierre Laclède Center
St. Louis, Missouri 63105

RECEIVED AT THE
BCC # 7865
85 JUN 28 AIO: 00

HAND DELIVERED

Daniel S. Hapke, Jr.
Corporate Assistant General Counsel

27 June 1985

314-889-8321

FEDERAL EXPRESS

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

Re: MUR 1992

Dear Ms. White:

We have investigated the matter brought to our attention in your Commission's letter of 16 May 1985. The matter under review was a dinner hosted by General Dynamics Corporation on 11 November 1981 as a testimonial for Senator Lowell Weicker. This dinner was held for the sole purpose of recognizing the support and assistance to the Electric Boat Division of General Dynamics provided by Senator Weicker. At no time did General Dynamics assume that this matter was in any way connected with the Senator's re-election campaign or any fundraising attendant thereto.

The timing for the dinner was in conjunction with the commissioning of the USS Ohio, a trident submarine, that took place in New London, Connecticut earlier that same day. Our Electric Boat facility, which builds these submarines, is located in Groton, Connecticut.

Mr. L. E. Holt, who was then Assistant General Manager of Public Affairs for the Electric Boat Division of General Dynamics Corporation, recalls that he supervised the arrangements for the dinner and that about a week prior to the affair Senator Weicker called and asked if the dinner was a fundraiser. The Senator was informed that it was not.

Your General Counsel's Factual and Legal Analysis quotes from a letter P. T. Veliotis (then General Manager of the Electric Boat Division) sent to Senator Weicker shortly after the dinner making reference to Veliotis' intention to write to each person who attended and urge them to financially support the Senator's campaign. Mr. Holt states that these letters were never sent. Moreover, no other forms of solicitation were made before, during or after the dinner. Any correspondence or statements by Veliotis to the effect that this was a fundraiser are incorrect and not in accordance with General Dynamics company policy.

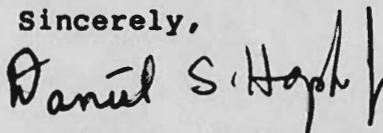
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GENERAL COUNSEL

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Enclosed herewith you will find answers to your interrogatories, copies of affidavits we are having executed by people who attended the dinner, and the statement of C. C. Cunningham (an aide to Senator Weicker at the time of the dinner). Electric Boat counsel, Merle J. Smith, has spoken to most of those who attended the dinner. Without exception these people stated that contributions were never solicited of them. Those whose affidavits are not submitted stated a preference not to become involved. Any additional documentation we obtain will be submitted to the Commission.

We believe we have adequately answered your questions with regard to this matter and stand ready to provide you with any further information or answer any questions you may have.

Sincerely,



Daniel S. Hapke, Jr.

DSH/kl

Enclosures

cc: J. J. Stirk
C. W. Hansen
M. J. Smith

3504056336

BEFORE THE FEDERAL ELECTION COMMISSION
IN RE: MUR 1992 GENERAL DYNAMICS CORPORATION

ANSWERS TO INTERROGATORIES

Comes now Daniel S. Hapke, Jr., being first duly sworn and states that he is Assistant General Counsel of General Dynamics Corporation and that the following answers to interrogatories are correct to the best of his knowledge, information and belief.

- 1 a. Question: State the purpose of the dinner conducted by the General Dynamics Corporation on 11 November 1981 which was attended by Senator Lowell Weicker?

Answer: The purpose of this dinner was a testimonial dinner to honor the Senator in conjunction with the commissioning of the USS Ohio Trident Submarine which took place in New London, Connecticut earlier that day.

- b. Question: State the total cost of the dinner described in question 1a above?

Answer: \$1,608.37.

- 2 a. Question: State whether prior to, or at any time during, the November 11, 1981, dinner described in question 1a above, the General Dynamics Corporation or any of its agents solicited contributions for Senator Lowell Weicker or the Weicker '82 Committee, or suggested that any person contribute to the political campaign of Senator Lowell Weicker?

Answer: No.

- b. Question: If the answer to question 2a is yes, describe such solicitations or suggestions in complete detail, including the dates and costs of such solicitations or suggestions, as well as the names of all agents of the General Dynamics Corporation who carried out such solicitations or made such suggestions?

Answer: Not applicable.

- 3 a. Question: State whether at any time subsequent to the November 11, 1981, dinner described in question 1a above, the General Dynamics Corporation or any of its agents solicited contributions for Senator Lowell Weicker or the Weicker '82 Committee, or suggested to any person or entity that they contribute to the political campaign of Senator Lowell Weicker?

85040563337

Answer: No.

- b. Question: If the answer to question 3a is yes, describe such solicitations or suggestions in complete detail, including the dates and costs of such solicitations or suggestions as well as the names of all agents of the General Dynamics Corporation who carried out such solicitations or made such suggestions?

Answer: Not applicable.

- 4 a. State the names of all individuals who attended the November 11, 1981, dinner described in question 1a, including the mailing or business address of each such individual?

b. Answer:

P. Takis Veliotis
Athens, Greece
(exact address unknown)

Mrs. Mary Boatwright
16 Denison Avenue
Stonington, CT 06378

L. Patrick & Bea Gray
c/o Suisman, Shapiro,
Wool, Brennan, Gray
& Faulkner
Mariner Square
New London, CT 06320

Stuart & Betty Ann Caldara
Box 356
Stonington, CT 06370

William & Enid Gorvine
c/o Foley, Hoag & Elliot
One Post Office Square
Boston, MA 02109

Vincent & Wanda Laudone
c/o Brown, Jacobson, Jewett
& Laudone P.C.
22 Courthouse Square
Norwich, CT 06360

Searle & Laura Lee Fields
133 River Road
Mystic, CT 06355

Thomas & Mary Kiddy
18 Pleasant Street
Groton, CT 06340

L. Emmett & Lib Holt
63 Highland Avenue
Cohasset, MA 02025

Arthur & Jean Barton
Electric Boat Division
General Dynamics Corporation
Eastern Point Road
Groton, CT 06340

Spencer & Barbara Reitz
32 Jericho Drive
Old Lyme, CT 06371

Dr. Phillip & Vivian Kaplan
University of New Haven
300 Orange Avenue
West Haven, CT 06515

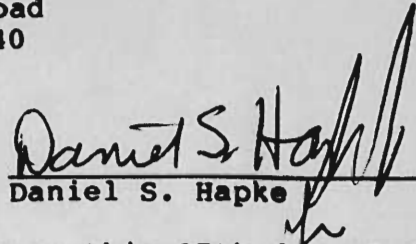
Robert & Betsy Steele
5 Wicklow Turn
Ledyard, CT 06339

Senator Weicker and an
assistant, whose name we do
not know

3504056338

William Miller was Manager of Special Services for the Division and handled the physical set up of the dinner but was not in actual attendance in the Dining Room. He has no direct relevant recall of the issues in question.

Business address: Electric Boat Division
Eastern Point Road
Groton, CT 06340


Daniel S. Hapke

Subscribed and sworn to before me this 27th day of June, 1985.


Notary Public

My commission expires:

6 October 1985

(SEAL)

MARY M. HUEBENER
NOTARY PUBLIC, STATE OF MISSOURI
MY COMMISSION EXPIRES 10/6/85
ST. LOUIS COUNTY

8504056339

85040563340

**AFFIDAVIT OF
ENID GORVINE**

1. I was in attendance at a dinner at the Old Lyme Inn on the evening of November 11, 1981, at which Senator Lowell Weicker was the guest of honor. The host of this affair was Mr. P. Takis Velliotis, then General Manager of the Electric Boat Division of General Dynamics Corporation.

2. At no time, either before, during or after the subject dinner, was a contribution to Senator Weicker's political campaign solicited of me by Mr. Velliotis or any other person known to be an employee of the General Dynamics Corporation, nor was there any suggestion of such contribution, to the best of my knowledge and belief.

Sworn to this day of
 . 1985, at
Connecticut.

END GORVINE

Sworn to before me this day of June, 1985.

Notary Public

BEFORE THE FEDERAL ELECTION COMMISSION

In re: MUR 1992
General Dynamics Corporation

AFFIDAVIT OF
WILLIAM GORVINE

WILLIAM GORVINE, being duly sworn, deposes and says:

1. I was in attendance at a dinner at the Old Lyme Inn on the evening of November 11, 1981, at which Senator Lowell Weicker was the guest of honor. The host of this affair was Mr. P. Takis Veliotis, then General Manager of the Electric Boat Division of General Dynamics Corporation.

2. At no time, either before, during or after the subject dinner, was a contribution to Senator Weicker's political campaign solicited of me by Mr. Veliotis or any other person known to be an employee of the General Dynamics Corporation, nor was there any suggestion of such contribution, to the best of my knowledge and belief.

Sworn to this day of
 , 1985, at
Connecticut.

WILLIAM GORVINE

Sworn to before me this day of June, 1985.

Notary Public

BEFORE THE FEDERAL ELECTION COMMISSION

In re: MUR 1992
General Dynamics Corporation

AFFIDAVIT OF
L. EMMETT HOLT

L. EMMETT HOLT being duly sworn, deposes and says:

1. In November of 1981 I was the Assistant General Manager of Public Affairs for the Electric Boat Division of General Dynamics Corporation. In that capacity, I supervised the arrangements for the dinner on November 11, 1981, at the direction of P. Takis Velliotis, the Division General Manager. The guest of honor for this dinner was Senator Lowell Weicker.

2. About a week prior to the affair, Senator Weicker called and asked if it was a fund raiser. I informed him that that was not my impression. To the best of my knowledge there was no presentation at the dinner or in the invitations thereto describing it as a fundraising activity.

3. On November 13, 1981, P. T. Velliotis sent a letter to Senator Weicker which did say that he would make such a solicitation of all of the attendees for contributions to Senator Weicker's political campaign (Enclosure 1). Shortly thereafter, however, he expressed to me that he had changed his mind and was not going to make

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GENERAL DYNAMICS*Electric Boat Division*

Groton, Connecticut 06340

P. Tobie Vellios
General Manager

November 13, 1981

Dear Lowell:

I am tremendously appreciative that you took time out of your very hectic schedule to join us Wednesday night.

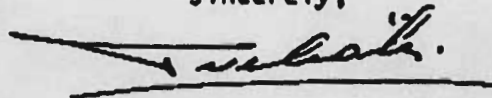
As I mentioned to you when you arrived, I am writing to each person that attended and am urging that they join me in financially supporting you in your campaign efforts. I hope and trust that you will get good response.

As you know, I am one to speak my mind and what I said was very sincere. There are few men in public life who are as forthright and honest as you have been. Your support for me personally is most appreciated and clearly your outspoken belief in the 25,000 men and women of Electric Boat was needed and I'm sure will not be forgotten.

I would like to do more for you during the ensuing months ahead and I have asked Bim Holt to stay in close touch with Billie Boatwright and your staff to see what would be most appropriate.

Again, thank you for joining us. I think the evening was a great success.

Sincerely,



The Honorable Lowell P. Weicker
United States Senate
313 Russell Senate Office Building
Washington, D. C. 20510

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85 040563345

**AFFIDAVIT OF
ARTHUR M. BARTON**

1. I was in attendance at a dinner at the Old Lyme Inn on the evening of November 11, 1981, at which Senator Lowell Weicker was the guest of honor. The host of this affair was Mr. P. Takis Velliotis, then General Manager of the Electric Boat Division of General Dynamics Corporation.

2. At no time, either before, during or after the subject dinner, was a contribution to Senator Weicker's political campaign solicited of me or my wife by Mr. Velliotis or any other person known to be an employee of the General Dynamics Corporation, nor was there any suggestion of such contribution, to the best of my knowledge and belief.

Sworn to this day of
 , 1985, at
Connecticut.

ARTHUR M. BARTON

Sworn to before me this day of June, 1985.

BEFORE THE FEDERAL ELECTION COMMISSION

In re: MUR 1992
General Dynamics Corporation

AFFIDAVIT OF
MARY BOATWRIGHT

MARY BOATWRIGHT being duly sworn, deposes and says:

1. I was in attendance at a dinner at the Old Lyme Inn on the evening of November 11, 1981, at which Senator Lowell Weicker was the guest of honor. The host of this affair was Mr. P. Takis Veliotis, then General Manager of the Electric Boat Division of General Dyanmics Corporation.

2. At no time, either before, during or after the subject dinner, was a contribution to Senator Weicker's political campaign solicited by Mr. Veliotis or any other person known to be an employee of the General Dynamics Corporation, nor was there any suggestion of such contribution, to the best of my knowledge and belief.

Sworn to this day of
June, 1985, at
Connecticut.

MARY BOATWRIGHT

Sworn to before me this day of June, 1985.

Notary Public

85040563346

BEFORE THE FEDERAL ELECTION COMMISSION

**In re: MUR 1992
General Dynamics Corporation**

**AFFIDAVIT OF
L. PATRICK GRAY, III**

L. PATRICK GRAY, III, being duly sworn, deposes and says:

1. I was in attendance at a dinner at the Old Lyme Inn on the evening of November 11, 1981, at which Senator Lowell Weicker was the guest of honor. The host of this affair was Mr. P. Takis Velliotis, then General Manager of the Electric Boat Division of General Dynamics Corporation.

2. At no time, either before, during or after the subject dinner, was a contribution to Senator Weicker's political campaign solicited of me by Mr. Velliotis or any other person known to be an employee of the General Dynamics Corporation, nor was there any suggestion of such contribution, to the best of my knowledge and belief.

Sworn to this day of
 , 1985, at
Connecticut.

L. PATRICK GRAY, III

Sworn to before me this

day of June, 1985.

Notary Public

BEFORE THE FEDERAL ELECTION COMMISSION

In re: MUR 1992
General Dynamics Corporation

AFFIDAVIT OF
BEATRICE KIRK GRAY

BEATRICE KIRK GRAY, being duly sworn, deposes and says:

1. I was in attendance at a dinner at the Old Lyme Inn on the evening of November 11, 1981, at which Senator Lowell Weicker was the guest of honor. The host of this affair was Mr. P. Takis Velliotis, then General Manager of the Electric Boat Division of General Dynamics Corporation.

2. At no time, either before, during or after the subject dinner, was a contribution to Senator Weicker's political campaign solicited of me by Mr. Velliotis or any other person known to be an employee of the General Dynamics Corporation, nor was there any suggestion of such contribution, to the best of my knowledge and belief.

Sworn to this day of
 , 1985, at
Connecticut.

BEATRICE KIRK GRAY

Sworn to before me this

day of June, 1985.

BEFORE THE FEDERAL ELECTION COMMISSION

In re: MUR 1992
General Dynamics Corporation

AFFIDAVIT OF
THOMAS D. KIDDY

THOMAS D. KIDDY being duly sworn, deposes and says:

1. I am the President of the Metal Trades Council, the principal bargaining unit representing trade employees of the Electric Boat Division of General Dynamics Corporation.. I was in New York on business when I received a call from L. E. Holt, Assistant General Manager for Public Affairs of the Electric Boat Division of General Dynamics Corporation, inviting me to a dinner party in honor of Senator Weicker on November 11, 1981. The only discussion was that it was a small dinner party for Senator Weicker and that Mr. Veliotis, the General Manager, would like for me to attend if I could. I was never advised that the affair was a fund raising activity.

2. Senator Weicker only stayed approximately 45 minutes. He made a short speech in which he praised P. T. Veliotis as a shipbuilder. Mr. Veliotis made similar laudatory comments about Senator Weicker and I made a few comments regarding the outstanding labor-management relationship which had allowed the performance for the delivery of the vessels in 1981.

35040563349

3. I was never approached regarding making a contribution for Senator Weicker's campaign nor was there any discussion to my knowledge about contributions by anyone at the dinner.

Sworn to this day of
 , 1985, at Groton,
Connecticut.

THOMAS D. KIDDY

Sworn to before me this day of , 1985.

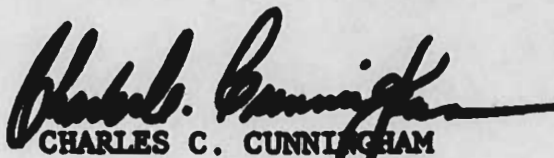
Notary Public

85040563350

STATEMENT

During the period January 1891-March 1983, I was Defense Legislative Aide to Senator Lowell P. Weicker. Following is my recollection of events concerning a dinner hosted by General Dynamics:

- o On Friday, 9 October 1981, near the end of an inspection tour of General Dynamics facilities in Rhode Island and Connecticut by Congressional delegations from those states, I was approached by Mr. P. Takis Veliotis, then General Manager of Electric Boat, who said that he wanted "to do something nice for Lowell". He mentioned Old Lyme, Connecticut, as a preferred location for this event, to take place sometime during the latter part of the month. It was not precisely clear to me what Veliotis had in mind. My initial impression was that it was to be something personal by Veliotis, a gesture of some kind.
- o I relayed Veliotis' message to the Senator on or about 13 October 1981. We did not discuss it since this sort of activity was outside the scope of my duties. I do not know how it was handled on the Senator's staff.
- o Thereafter, I was not involved in the matter. I have an entry in my log dated 19 October 1981, which reads: "Check Veliotis re dinner in Old Lyme 203 446 7236" but this was just to satisfy myself that nothing further was required of me. I have no further knowledge of the case.


 CHARLES C. CUNNINGHAM
 Colonel, USA Ret

35040563351

GENERAL DYNAMICS

Pierre Laclède Center, St. Louis, Missouri 63105

D. S. Hapke

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

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HAND DE



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 20, 1985

Daniel S. Hapke, Jr.
Assistant General Counsel
General Dynamics Corporation
Pierre Laclède Center
St. Louis, Missouri 63105

Re: MUR 1992
General Dynamics Corporation

Dear Mr. Hapke:

This is in response to your letter dated June 4, 1985, in which you requested an extension of time until June 28, 1985, to respond to the Commission's finding and interrogatories. The Commission has reviewed your request and determined to grant the requested extension. The response of your client is due, therefore, on June 28, 1985.

If you have any questions please contact Maura White at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

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CERTIFICATION

1. Grant the General Dynamics Corporation an extension of time to respond until June 28, 1985.
2. Approve the letter attached to the General Counsel's Memorandum dated June 14, 1985.

Attest:

Date _____

Mary H. Dove

Mary W. Dove
Administrative Assistant



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *Cut*
DATE: June 14, 1985
SUBJECT: MUR 1992 - Memorandum to The Commission

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

CIRCULATIONS

48 Hour Tally Vote	☒
Sensitive	☒
Non-Sensitive	☐
24 Hour No Objection	☐
Sensitive	☐
Non-Sensitive	☐
Information	☐
Sensitive	☐
Non-Sensitive	☐
Other	☐

DISTRIBUTION

Compliance	☒
Audit Matters	☐
Litigation	☐
Closed MUR Letters	☐
Status Sheets	☐
Advisory Opinions	☐
Other (see distribution below)	☐

35040563355



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

June 14, 1985

85 JUN 14 A 9:46
SENSITIVE

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel *[Signature]*

SUBJECT: MUR 1992 - Request for Extension
General Dynamics Corporation

On May 22, 1985, the General Dynamics Corporation requested a 30 day extension of time in which to respond to the Commission's reason to believe finding in this matter. By letter dated May 30, 1985, counsel for the General Dynamics Corporation was notified that a 20 day extension of time had been granted until June 17, 1985.

On June 6, 1985, this office received a letter from the General Dynamics Corporation stating that it would be "virtually impossible for us to comply with a shorter extension than 30 days" because counsel would be out of the country until June 17, because co-counsel is on vacation for a "similar period of time," and because it is counsel's intention "to obtain a statement or affidavit from as many as possible of the persons who attended the dinner for Senator Weicker" (Attachment 1).

In view of the above stated reasons for the requested extension of time, it is the recommendation of this office that the Commission approve the respondents' request.

Recommendation

1. Grant the General Dynamics Corporation an extension of time to respond until June 28, 1985.
2. Approve the attached letter.

Attachments

1. Request for Extension
2. Letter

GENERAL DYNAMICS CORPORATION

Pierre LaCade Center
St. Louis, Missouri 63105

RECEIVED AT THE FEC

85 JUN 6 P12: 25

Daniel S. Hapke, Jr.
Corporate Assistant General Counsel

4 June 1985

314-889-8321

Ms. Maura White
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1992

Dear Ms. White:

I am in receipt of the 30 May 1985 letter of your Kenneth A. Gross in response to our request for a 30 days extension of time in which to respond to your Commission's reason to believe finding against General Dynamics Corporation.

As you and I discussed on May 31, it will be virtually impossible for us to comply with a shorter extension than 30 days for the following reasons:

1. I will be out of the country from June 7 until June 17.
2. My counterpart at the Electric Boat Division, Merle Smith, will be on vacation for a similar period of time.
3. Our intention is to obtain a statement or affidavit from as many as possible of the persons who attended the dinner for Senator Weicker. Necessarily, this effort will take a lot of time.

Therefore, we respectfully request an extension of time until 28 June 1985 in which to respond to your Commission's inquiry.

If you have any questions or comments please let me hear.

Sincerely,

Dan Hapke

Daniel S. Hapke, Jr.

cc: M. J. Smith

Attachment 1



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Daniel S. Hapke, Jr.
Assistant General Counsel
General Dynamics Corporation
Pierre Laclede Center
St. Louis, Missouri 63105

Re: MUR 1992
General Dynamics Corporation

Dear Mr. Hapke:

This is in response to your letter dated June 4, 1985, in which you requested an extension of time until June 28, 1985, to respond to the Commission's finding and interrogatories. The Commission has reviewed your request and determined to grant the requested extension. The response of your client is due, therefore, on June 28, 1985.

If you have any questions please contact Maura White at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Attachment 2

350405338

GCC # 7713

LEWIS, KINSEY, DACK & GOOD

TENTH FLOOR

ONE THOUSAND CONNECTICUT AVENUE
WASHINGTON, D.C. 20036

(202) 775-8054

VIRGINIA OFFICE

SUITE 421, THE MOSBY

10560 MAIN STREET

FAIRFAX, VIRGINIA 22030

GLENN C. LEWIS *
ROY E. KINSEY, JR.
LEONARD J. DACK *
DAVID L. GOOD
EDWARD V. O'CONNOR, JR. *
JOSEPH C. PARADISO *

ALSO MEMBER OF VIRGINIA BAR *
ALSO MEMBER OF MARYLAND BAR *
ALSO MEMBER OF VIRGINIA & NEW YORK BARS *

OF COUNSEL:
CHARLES E. ROSOLIO
SUITE 505
102 WEST PENNSYLVANIA AVENUE
TOWSON, MARYLAND 21204

June 10, 1985

Honorable John Warren McGarry
Chairman
Federal Election Commission
Washington, D.C. 20463

HAND DELIVER

**Re: MUR 1992; Weicker '82 Committee;
Charles Muessel, as Treasurer**

Dear Mr. Chairman:

I am writing as counsel on behalf of the Weicker '82 Committee; Charles Muessel, as Treasurer, in reference to MUR 1992.

Based upon our review of the facts and circumstances surrounding the November 11, 1981, dinner hosted by P. Takis Veliotis, then-general manager of Electric Boat, a division of General Dynamics, we urge no action be taken against either Mr. Muessel or the Committee.

In late October or early November, Ms. Kathy Miller, personal secretary to Senator Weicker, received a telephone call from Mr. Bim Holt (Electric Boat Public Affairs) in reference to a dinner Mr. Veliotis wished to host for Senator Weicker. Subsequent to receiving the telephone call, Ms. Miller prepared a typewritten note to Senator Weicker, a copy of which is attached hereto. The note advised that Mr. Veliotis wanted to host a dinner for Senator Weicker on either November 11 or 12 in Connecticut. The Senator circled the date November 11 on the note and wrote the name "Cindy" and Ms. Miller wrote the words "set-up". At that time, "Cindy" was Mrs. Cindy Moore, Senator Weicker's appointment secretary.

Although Ms. Miller does not recall the details of the telephone conversation with Mr. Holt, she has advised that if Mr. Holt had indicated that the dinner was for fund raising purposes, she clearly would have made such a notation on the note to Senator Weicker and would have advised the Weicker '82 Committee, which, as she recalls, she did not do. Mr. Muessel advises that he was principally responsible for directing all Committee fund raising activities and would have been advised of the dinner had it been for fund-raising purposes. He was never advised of the dinner and had he been, he would have immediately

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
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June 7, 1985

Page 2

put a halt to it since he is well aware that monies spent by General Dynamics to host a political fund raising dinner for Senator Weicker would constitute a prohibited corporate contribution. Moreover, Mr. Muessel advises that the Committee's procedures called for coding all fund raising events for purposes of follow-up solicitations and that the dinner in question was never coded in the Committee's records.

There is no dispute that the dinner was held on November 11, 1981 and that the persons whose names appear on the guest list attached hereto were in attendance. There were five couples from General Dynamics and the others were prominent community leaders from Southeastern or Southcentral Connecticut and their wives.

Upon arriving at the dinner, Senator Weicker was greeted by Mr. Veliotis who advised him in words to the effect that he intended later to contact the dinner guests and urge them to join with him in financially supporting the Senator's campaign efforts. This was the first and, in the Senator's recollection, the only reference during the evening to the fact that Mr. Veliotis might have intended to solicit campaign contributions from the invited guests. Due to the fact that Senator Weicker had to return to New York that evening, he was unable to stay for the entire dinner. However, we have contacted several individuals who were on the guest list and they advise that Mr. Veliotis at no time solicited them for political contributions during the course of the dinner nor did they later receive any letter from Mr. Veliotis urging that they join him in financially supporting the Weicker '82 campaign. Attached is a copy of a letter dated November 13, 1981 from M. Veliotis thanking Senator Weicker for attending the function together with a copy of Senator Weicker's response.

It is my opinion, based upon the facts, and my conversations with the individuals who were involved in this matter, that the dinner clearly was not a fund raiser but rather was held in connection with the commissioning of the first Trident submarine as alleged by General Dynamics in their letter of March 7, 1985, a copy of which is attached hereto. Although certain of the invited guests, namely, Mrs. Boatwright, the Grays, the Caldaras, the Laudones and the Fields contributed to the Weicker '82 Committee, their contributions upon information and belief, were received well in advance of the date of the dinner and were not made in consideration or as a result of being invited to the dinner. Further, all of these individuals were financial supporters of past Weicker campaigns.

Addressing Senator Weicker's press pronouncements with respect to the dinner, I would opine that the Senator spoke out of anger when he learned that General Dynamics had charged the dinner back to the Government. Although he may have labeled the dinner a "fund raiser" based on his recollection of

35040563360

June 7, 1985

Page 3

what Mr. Veliotis told him upon arriving at the dinner, the point he wished to make was that whatever the purpose of the dinner, it was not one for which an expense would be properly chargeable back to the federal government.

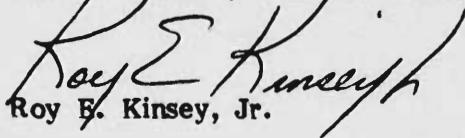
There is no dispute that a fund raising dinner on Senator Weicker's behalf, paid for by General Dynamics Corporation, would constitute a prohibited corporate contribution pursuant to 2 U.S.C., Section 441b(a). However, what the Senator may have believed the dinner to be and what the dinner actually was, were two different things. In the first instance, Senator Weicker did not believe he was attending a fund raising dinner on his behalf hosted by General Dynamics. That impression arose later when he first arrived at the dinner during cocktail hour and was approached by Mr. Veliotis who advised that he would personally be soliciting the attending guests. It was that conversation, recalled more than three years later, which gave the Senator the impression that General Dynamics may have been hosting the event as a fund raiser on his behalf instead of a dinner honoring his past support for General Dynamics Electric Boat Division in Connecticut.

In reference to the New London Day article of February 27, 1985 concerning the Senator's quote that all funds were reported in accordance with the federal election laws, I think it is safe to say that the Senator was simply saying that if there were any contributions received, they would have been reported in the ordinary course by Mr. Muessel as Treasurer in accordance with existing federal election laws and regulations. He did not know for a fact at that time whether or not any contributions had actually been received by any of the guests and whether those contributions had, in fact, been solicited by Mr. Veliotis.

For the foregoing reasons, the Committee and Mr. Muessel submit that no action should be taken against either the Committee or him given the fact that in substance, there has been no violation of the Federal Election Campaign Act.

Very truly yours,

LEWIS, KINSEY, DACK & GOOD


Roy E. Kinsey, Jr.

REK:lsg

cc: Weicker '82 Committee
c/o Charles Muessel, Treasurer

Maura White, Esquire
Federal Election Commission

35040563361

GENERAL DYNAMICS CORPORATION

Washington Operations
1745 Jefferson Davis Highway
Arlington, Virginia 22202

Edward J. LeFevre
Corporate Vice President

703-553-1200

21 February 1985

The Honorable Lowell Weicker
United States Senate
Washington, D. C. 20510

Dear Senator Weicker:

On behalf of General Dynamics Corporation, I wish to apologize for any unhappiness or any unwarranted criticism of you that might result from allegations by ABC's 20/20 program with regard to your attendance at a dinner, hosted by Mr. Veliotis, then the General Manager of our Electric Boat Division, at the Old Lyme Inn in Old Lyme, Connecticut on November 11, 1981.

As you know, this dinner was not a political fundraiser but was organized as a private dinner party for honored guests in conjunction with the commissioning of the USS OHIO Trident submarine that took place in New London, Connecticut earlier that day. Those in attendance included 5 couples from the Electric Boat Division and 8 couples of dignitaries from Southeastern Connecticut. Incidentally, we have talked with some of those who attended, both from within the company and without, and all have confirmed there was no solicitation for political funds either before, during, or after the dinner.

I sincerely apologize for any embarrassment that the irresponsibility of ABC may cause you because there was no way you could have been aware that there could have been some question as to whether the cost of this dinner might be a charge to the Government.

If I can be of any further service in this matter, please let me know.

Sincerely,


Ted LeFevre

RE
GENERAL
JUN 11 11:30
P 1

35040563362

November 13, 1981

Mr. P. Takis Velliotis
General Manager
General Dynamics
Electric Boat Division
Groton, Connecticut 06340

Dear Taki:

Just a brief note of appreciation for your thoughtfulness in hosting the dinner on my behalf on November 11th. Having spent such a grueling day on the road, it was a pleasure to spend the evening on home turf.

Your support and encouragement, Taki, will surely be remembered.

Many, many thanks!

With warmest regards,

Sincerely,

Lowell Weicker, Jr.
United States Senator

LW:cm

postage applied

RECEIVED
GENERAL COUNSEL

15 JUN 11 11:30

GENERAL DYNAMICS
Electric Boat Division
Groton, Connecticut 06340

P. Takis Voulatis
General Manager

Thank you. Thanks, Lowell!

November 13, 1981

Dear Lowell:

I am tremendously appreciative that you took time out of your very hectic schedule to join us Wednesday night.

As I mentioned to you when you arrived, I am writing to each person that attended and am urging that they join me in financially supporting you in your campaign efforts. I hope and trust that you will get good response.

As you know, I am one to speak my mind and what I said was very sincere. There are few men in public life who are as forthright and honest as you have been. Your support for me personally is most appreciated and clearly your outspoken belief in the 25,000 men and women of Electric Boat was needed and I'm sure will not be forgotten.

I would like to do more for you during the ensuing months ahead and I have asked Bim Holt to stay in close touch with Billie Boatwright and your staff to see what would be most appropriate.

Again, thank you for joining us. I think the evening was a great success.

Sincerely,

P. Takis Voulatis

The Honorable Lowell P. Weicker
United States Senate
313 Russell Senate Office Building
Washington, D. C. 20510

15 JUN 11 11:40

RE
GENERAL COUNSEL

Electric Boat Dinner
Wednesday, November 11, 1981
Old Lyme Inn - 7:00 p.m.
Old Lyme, Connecticut

GUEST LIST

Senator Lowell Weicker, Jr.
Mrs. Billy Boatwright
Attorney & Mrs. Patrick Gray (Bea)
Mr. & Mrs. Stuart Caldara (Betty Ann)
Dr. & Mrs. Philip Kaplan (Vivian) - Pres., University of New Haven
Attorney & Mrs. Vincent Laudone (Wanda)
Mr. & Mrs. A. Searle Field (Lauralee)
Mr. & Mrs. Bob Steele (Betsy)
Mr. & Mrs. Takis Veliotis (Paulette)
Mr. & Mrs. Spencer Reitz (EB Deputy General Manager)
Mr. & Mrs. Bill Gorvine (Enid)
Mr. & Mrs. Art Barton (Jeanne) - EB Asst. General Manager for
For Planning & Controls
Mr. & Mrs. Bim Holt (Lib) - Director of EB Public Affairs

85040563365

You received a call from Mr. Holt (EB Public Affairs). Mr. Vellolis would like to host a dinner for you November 11th or 12th in Connecticut. Requested that you please return his call after checking out these dates.

On November 11th, you have scheduled to spend the night in New York with your mother, arriving around 4:00 p.m. from a speech in Orlando, Fla. On November 12th you are scheduled to deliver a speech in New York that morning.

His office number is: 203-446-5813

Andy Set up -

RECEIVED
OFFICE OF THE
LEWIS KINSEY DACK & GOOD
GENERAL COUNSEL
TENTH FLOOR

ONE THOUSAND CONNECTICUT AVENUE, N.W.

85 JUN 10 4:25 PM '85
WASHINGTON, D.C. 20036
(202) 775-8000

VIRGINIA OFFICE
SUITE 421, THE MOSBY
10560 MAIN STREET
FAIRFAX, VIRGINIA 22030

666 7708
RECEIVED
OFFICE OF THE
GENERAL COUNSEL

85 JUN 10 4:25 PM '85

GLENN C. LEWIS *
ROY E. KINSEY, JR.
LEONARD J. DACK *
DAVID L. GOOD
EDWARD V. O'CONNOR, JR. *
JOSEPH C. PARADISO *

ALSO MEMBER OF VIRGINIA BAR *
ALSO MEMBER OF MARYLAND BAR *
ALSO MEMBER OF VIRGINIA & NEW YORK BARS *

OF COUNSEL:
CHARLES E. ROSOLIO
SUITE 808
102 WEST PENNSYLVANIA AVENUE
TOWSON, MARYLAND 21204

June 10, 1985

Honorable John Warren McGarry
Chairman
Federal Election Commission
Washington, D.C. 20463

HAND DELIVER

Re: MUR 1992; Weicker '82 Committee;
Charles Muessel, as Treasurer

Dear Mr. Chairman:

I am writing as counsel on behalf of the Weicker '82 Committee; Charles Muessel, as Treasurer, in reference to MUR 1992.

Based upon our review of the facts and circumstances surrounding the November 11, 1981, dinner hosted by P. Takis Veliotis, then-general manager of Electric Boat, a division of General Dynamics, we urge no action be taken against either Mr. Muessel or the Committee.

In late October or early November, Ms. Kathy Miller, personal secretary to Senator Weicker, received a telephone call from Mr. Bim Holt (Electric Boat Public Affairs) in reference to a dinner Mr. Veliotis wished to host for Senator Weicker. Subsequent to receiving the telephone call, Ms. Miller prepared a typewritten note to Senator Weicker, a copy of which is attached hereto. The note advised that Mr. Veliotis wanted to host a dinner for Senator Weicker on either November 11 or 12 in Connecticut. The Senator circled the date November 11 on the note and wrote the name "Cindy" and Ms. Miller wrote the words "set-up". At that time, "Cindy" was Mrs. Cindy Moore, Senator Weicker's appointment secretary.

Although Ms. Miller does not recall the details of the telephone conversation with Mr. Holt, she has advised that if Mr. Holt had indicated that the dinner was for fund raising purposes, she clearly would have made such a notation on the note to Senator Weicker and would have advised the Weicker '82 Committee, which, as she recalls, she did not do. Mr. Muessel advises that he was principally responsible for directing all Committee fund raising activities and would have been advised of the dinner had it been for fund-raising purposes. He was never advised of the dinner and had he been, he would have immediately

05040563367

June 7, 1985

Page 2

put a halt to it since he is well aware that monies spent by General Dynamics to host a political fund raising dinner for Senator Weicker would constitute a prohibited corporate contribution. Moreover, Mr. Muessel advises that the Committee's procedures called for coding all fund raising events for purposes of follow-up solicitations and that the dinner in question was never coded in the Committee's records.

There is no dispute that the dinner was held on November 11, 1981 and that the persons whose names appear on the guest list attached hereto were in attendance. There were five couples from General Dynamics and the others were prominent community leaders from Southeastern or Southcentral Connecticut and their wives.

Upon arriving at the dinner, Senator Weicker was greeted by Mr. Velliotis who advised him in words to the effect that he intended later to contact the dinner guests and urge them to join with him in financially supporting the Senator's campaign efforts. This was the first and, in the Senator's recollection, the only reference during the evening to the fact that Mr. Velliotis might have intended to solicit campaign contributions from the invited guests. Due to the fact that Senator Weicker had to return to New York that evening, he was unable to stay for the entire dinner. However, we have contacted several individuals who were on the guest list and they advise that Mr. Velliotis at no time solicited them for political contributions during the course of the dinner nor did they later receive any letter from Mr. Velliotis urging that they join him in financially supporting the Weicker '82 campaign. Attached is a copy of a letter dated November 13, 1981 from M. Velliotis thanking Senator Weicker for attending the function together with a copy of Senator Weicker's response.

It is my opinion, based upon the facts, and my conversations with the individuals who were involved in this matter, that the dinner clearly was not a fund raiser but rather was held in connection with the commissioning of the first Trident submarine as alleged by General Dynamics in their letter of March 7, 1985, a copy of which is attached hereto. Although certain of the invited guests, namely, Mrs. Boatwright, the Grays, the Caldaras, the Laudones and the Fields contributed to the Weicker '82 Committee, their contributions upon information and belief, were received well in advance of the date of the dinner and were not made in consideration or as a result of being invited to the dinner. Further, all of these individuals were financial supporters of past Weicker campaigns.

Addressing Senator Weicker's press pronouncements with respect to the dinner, I would opine that the Senator spoke out of anger when he learned that General Dynamics had charged the dinner back to the Government. Although he may have labeled the dinner a "fund raiser" based on his recollection of

8 5 0 4 0 5 6 3 3 6 8

June 7, 1985
Page 3

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There is no dispute that a fund raising dinner on Senator Weicker's behalf, paid for by General Dynamics Corporation, would constitute a prohibited corporate contribution pursuant to 2 U.S.C., Section 441b(a). However, what the Senator may have believed the dinner to be and what the dinner actually was, were two different things. In the first instance, Senator Weicker did not believe he was attending a fund raising dinner on his behalf hosted by General Dynamics. That impression arose later when he first arrived at the dinner during cocktail hour and was approached by Mr. Vellotis who advised that he would personally be soliciting the attending guests. It was that conversation, recalled more than three years later, which gave the Senator the impression that General Dynamics may have been hosting the event as a fund raiser on his behalf instead of a dinner honoring his past support for General Dynamics Electric Boat Division in Connecticut.

In reference to the New London Day article of February 27, 1985 concerning the Senator's quote that all funds were reported in accordance with the federal election laws, I think it is safe to say that the Senator was simply saying that if there were any contributions received, they would have been reported in the ordinary course by Mr. Muessel as Treasurer in accordance with existing federal election laws and regulations. He did not know for a fact at that time whether or not any contributions had actually been received by any of the guests and whether those contributions had, in fact, been solicited by Mr. Vellotis.

For the foregoing reasons, the Committee and Mr. Muessel submit that no action should be taken against either the Committee or him given the fact that in substance, there has been no violation of the Federal Election Campaign Act.

Very truly yours,

LEWIS, KINSEY, DACK & GOOD

/s/

Roy E. Kinsey, Jr.

REK:lsg

cc: Weicker '82 Committee
c/o Charles Muessel, Treasurer

Maura White, Esquire
Federal Election Commission

35040563369

GENERAL DYNAMICS CORPORATION

Washington Operations
1745 Jefferson Davis Highway
Arlington, Virginia 22202

Edward J. LeFevre
Corporate Vice President

703-553-1200

21 February 1985

The Honorable Lowell Weicker
United States Senate
Washington, D. C. 20510

Dear Senator Weicker:

On behalf of General Dynamics Corporation, I wish to apologize for any unhappiness or any unwarranted criticism of you that might result from allegations by ABC's 20/20 program with regard to your attendance at a dinner, hosted by Mr. Veliotis, then the General Manager of our Electric Boat Division, at the Old Lyme Inn in Old Lyme, Connecticut on November 11, 1981.

As you know, this dinner was not a political fundraiser but was organized as a private dinner party for honored guests in conjunction with the commissioning of the USS OHIO Trident submarine that took place in New London, Connecticut earlier that day. Those in attendance included 5 couples from the Electric Boat Division and 8 couples of dignitaries from Southeastern Connecticut. Incidentally, we have talked with some of those who attended, both from within the company and without, and all have confirmed there was no solicitation for political funds either before, during, or after the dinner.

I sincerely apologize for any embarrassment that the irresponsibility of ABC may cause you because there was no way you could have been aware that there could have been some question as to whether the cost of this dinner might be a charge to the Government.

If I can be of any further service in this matter, please let me know.

Sincerely,


Ted LeFevre

85040563370

November 18, 1981

Mr. P. Takis Velliotis
General Manager
General Dynamics
Electric Boat Division
Groton, Connecticut 06340

Dear Taki:

Just a brief note of appreciation for your
thoughtfulness in hosting the dinner on my
behalf on November 11th. Having spent such
a grueling day on the road, it was a pleasure
to spend the evening on home turf.

Your support and encouragement, Taki, will
surely be remembered.

Many, many thanks!

With warmest regards,

Sincerely,

Lowell Weicker, Jr.
United States Senator

LW:cm

postage applied

GENERAL DYNAMICS
Electric Boat Division
Groton, Connecticut 06340

P. Takis Voulitis
General Manager

Thank you. Thanks, Lowell
November 13, 1981

Dear Lowell:

I am tremendously appreciative that you took time out of your very hectic schedule to join us Wednesday night.

As I mentioned to you when you arrived, I am writing to each person that attended and am urging that they join me in financially supporting you in your campaign efforts. I hope and trust that you will get good response.

As you know, I am one to speak my mind and what I said was very sincere. There are few men in public life who are as forthright and honest as you have been. Your support for me personally is most appreciated and clearly your outspoken belief in the 25,000 men and women of Electric Boat was needed and I'm sure will not be forgotten.

I would like to do more for you during the ensuing months ahead and I have asked Bim Holt to stay in close touch with Billie Boatwright and your staff to see what would be most appropriate.

Again, thank you for joining us. I think the evening was a great success.

Sincerely,

[Signature]

The Honorable Lowell P. Weicker
United States Senate
313 Russell Senate Office Building
Washington, D. C. 20510

Electric Boat Dinner
Wednesday, November 11, 1981
Old Lyme Inn - 7:00 p.m.
Old Lyme, Connecticut

GUEST LIST

Senator Lowell Weicker, Jr.
Mrs. Billy Boatwright
Attorney & Mrs. Patrick Gray (Bea)
Mr. & Mrs. Stuart Caldara (Betty Ann)
Dr. & Mrs. Philip Kaplan (Vivian) - Pres., University of New Haven
Attorney & Mrs. Vincent Laudone (Wanda)
Mr. & Mrs. A. Searle Field (Lauralee)
Mr. & Mrs. Bob Steele (Betsy)
Mr. & Mrs. Takis Veliotis (Paulette)
Mr. & Mrs. Spencer Reitz (EB Deputy General Manager)
Mr. & Mrs. Bill Gorvine (Enid)
Mr. & Mrs. Art Barton (Jeanne) - EB Asst. General Manager for
Planning & Controls
Mr. & Mrs. Bim Holt (Lib) - Director of EB Public Affairs

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You received a call from Mr. Holt (EB Public Affairs). Mr. Vellolis would like to host a dinner for you November 11th or 12th in Connecticut. Requested that you please return his call after checking out these dates.

On November 11th, you have scheduled to spend the night in New York with your mother, arriving around 4:00 p.m. from a speech in Orlando, Fla. On November 12th you are scheduled to deliver a speech in New York that morning.

His office number is: 203-446-5813

74
Cindy Set up -

LEWIS, KINSEY, DACK & GOOD

TENTH FLOOR

1000 CONNECTICUT AVENUE, N.W.

WASHINGTON, D.C. 20036

85 JUN 10 12:21

HAND DELIVER

Honorable John Warren McGarry
Chairman
Federal Election Commission
Washington, D.C. 20463

HAND DELIVER

RECEIVED
0405
JUN 11 3 44 PM '65
GENERAL COUNSEL

GENERAL DYNAMICS CORPORATION

Pierre Laclede Center
St. Louis, Missouri 63105

Daniel S. Hapke, Jr.
Corporate Assistant General Counsel

4 June 1985

314-889-8321

Ms. Maura White
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1992

Dear Ms. White:

I am in receipt of the 30 May 1985 letter of your Kenneth A. Gross in response to our request for a 30 days extension of time in which to respond to your Commission's reason to believe finding against General Dynamics Corporation.

As you and I discussed on May 31, it will be virtually impossible for us to comply with a shorter extension than 30 days for the following reasons:

1. I will be out of the country from June 7 until June 17.
2. My counterpart at the Electric Boat Division, Merle Smith, will be on vacation for a similar period of time.
3. Our intention is to obtain a statement or affidavit from as many as possible of the persons who attended the dinner for Senator Weicker. Necessarily, this effort will take a lot of time.

Therefore, we respectfully request an extension of time until 28 June 1985 in which to respond to your Commission's inquiry.

If you have any questions or comments please let me hear.

Sincerely,

Don Hapke
Daniel S. Hapke, Jr.

cc: M. J. Smith

BCC # 7110A

RECEIVED AT THE FEC

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GENERAL COUNSEL

RECEIVED

63040563376

602, M. J. Smith

GENERAL DYNAMICS

Electric Boat Division

GRAN POINT ROAD, GROTON, CONNECTICUT 06340



ENERGY

Ms. Maura White
Federal Election Commission
Washington, DC 20463

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 30, 1985

Robert H. Duesenberg, General Counsel
Daniel S. Hapke, Jr., Assistant General Counsel
General Dynamics Corporation
Pierre Laclède Center
St Louis, Missouri 63105

RE: MUR 1992
General Dynamics Corporation

Dear Mr. Duesenberg and Mr. Hapke:

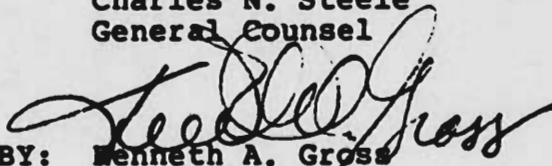
This is in response to your letter dated May 22, 1985, in which you request a 30 day extension of time to respond to the Commission's reason to believe finding against the General Dynamics Corporation.

I have reviewed your request, but in view of the Commission's responsibility to act expeditiously in the conduct of investigations I can agree to only a 20 day extension of time. The response of the General Dynamics Corporation is due, therefore, on June 17, 1985.

If you have any questions please contact Maura White at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel


BY: Kenneth A. Gross
Associate General Council

85040563378



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 30, 1985

Roy E. Kinsey, Jr., Esquire
Lewis, Kinsey, Dack and Good
Tenth Floor
One Thousand Connecticut Avenue, N.W.
Washington, D.C. 20036

Re: MUR 1992
Weicker '82 Committee;
Charles Muessel, as treasurer

Dear Mr. Kinsey:

This is in response to your letter dated May 28, 1985, in which you request a ten day extension of time to respond to the Commission's reason to believe finding against your clients, the Weicker '82 Committee and Charles Muessel, as treasurer.

I have reviewed your request and agree to the extension. The response of your clients is due, therefore, on June 10, 1985. If you have any questions please contact Maura White, the staff member assigned to this matter, at 523-4143.

Sincerely,

Charles N. Steele
General Counsel

BY:

Kenneth A. Gross
Associate General Counsel

35040563379

600 7586
RECEIVED AT THE FEC

85 MAY 28 49:54

GENERAL DYNAMICS CORPORATION

Pierre Laclede Center
St. Louis, Missouri 63105

Daniel S. Hapke, Jr.
Corporate Assistant General Counsel

22 May 1985

314-889-8321

Ms. Maura White
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1992

Dear Ms. White:

This is to acknowledge receipt of a Federal Election Commission letter dated 16 May 1985 from John Warren McGary, Chairman, to David S. Lewis, Chairman of the Board and CEO of General Dynamics Corporation. In this letter Mr. McGary notifies General Dynamics of an investigation into a possible violation of a federal election campaign act of 1971.

Pursuant to the above letter, enclosed please find a copy of your form designating counsel for General Dynamics Corporation. In addition, please be advised that we have commenced an investigation of this matter but doubt that such investigation will be concluded in time to respond to your interrogatories within the ten days allowed. Therefore, I am hereby requesting until 28 June 1985 to fully respond to your interrogatories, provide other information, and state General Dynamics' position with regard to this matter.

If you have any questions or comments, please let me hear.

Very truly yours,

Daniel S. Hapke Jr.
Daniel S. Hapke, Jr.

DSH/k1

Enclosure

cc: S. M. Hirschberg
Electric Boat Division

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1992

NAME OF COUNSEL: Robert H. Duesenberg, Vice President & General Counsel
Daniel S. Hapke, Jr., Assistant General Counsel

ADDRESS: General Dynamics Corporation

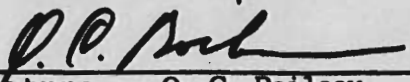
Pierre Laclede Center

St. Louis, MO 63105

TELEPHONE: (314) 889-8319 or 8321

The above-named individuals ^{are} hereby designated as ~~my~~ ^{are} our
counsel and ~~is~~ ^{are} authorized to receive any notifications and other
communications from the Commission and to act on ^{our} ~~my~~ behalf before
the Commission.

22 May 1985
Date


Signature - O. C. Boileau
President

RESPONDENT'S NAME: General Dynamics Corporation

ADDRESS: Pierre Laclede Center

St. Louis, MO 63105

HOME PHONE: _____

BUSINESS PHONE: (314) 889-8200

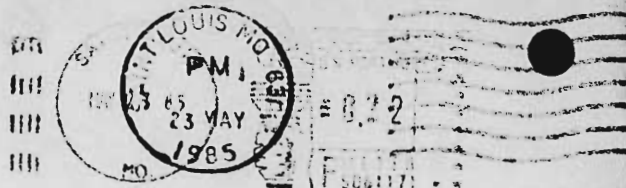
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MAY 28 1985
P 2:03

GENERAL COUNSEL
FBI

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Ms. Maura White
Federal Election Commission
Washington, D.C. 20463



4:00 PM
MAY 26 1985

GCC# 7608

LEWIS, KINSEY, DACK & GOOD

TENTH FLOOR
ONE THOUSAND CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036

(202) 775-8054

VIRGINIA OFFICE
SUITE 421, THE MOSBY
10560 MAIN STREET
FAIRFAX, VIRGINIA 22030

GLENN C. LEWIS *
ROY E. KINSEY, JR.
LEONARD J. DACK †
DAVID L. GOOD
EDWARD V. O'CONNOR, JR. *
JOSEPH C. PARADISO *

ALSO MEMBER OF VIRGINIA BAR *
ALSO MEMBER OF MARYLAND BAR *
ALSO MEMBER OF VIRGINIA & NEW YORK BARS †

ED
E FEC
METARY

25 MAY 28 P 4: 58

OF COUNSEL:
CHARLES E. ROSOLIO
SUITE 505
102 WEST PENNSYLVANIA AVENUE
TOWSON, MARYLAND 21204

May 28, 1985

The Honorable John Warren McGarry
Chairman
Federal Election Commission
Washington, D.C. 20463

BY MESSENGER

Re: MUR 1992
Weicker '82 Committee;
Charles Muessel as Treasurer

Dear Mr. Chairman:

I am writing as counsel on behalf of the Weicker '82 Committee; Charles Muessel, as Treasurer, to request an additional ten days in which to respond to your letter dated May 16, 1985 received by the Committee on May 20, 1985.

I was retained in this matter approximately one week ago and, as a result of certain unforeseen legal matters which required me to be away from my office for the latter portion of last week, I require additional time to submit the Committee's position with respect to the Commission's investigation in the above-referenced matter.

Your favorable consideration of this request will be greatly appreciated.

Very truly yours,

LEWIS, KINSEY, DACK & GOOD

Roy E. Kinsey, Jr.

REK:lsg
cc: Mr. Charles A. Muessel

MAY 29 9:16
GENERAL COUNSEL

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LEWIS, KINSEY, DACK & GOOD

TENTH FLOOR

1000 CONNECTICUT AVENUE, N.W.

WASHINGTON, D.C. 20036

The Honorable John Warren McGarry
Chairman

Federal Election Commission
Washington, D.C. 20463

BY MESSENGER

1325 K St., NW.
5th Floor Receptionist

URGENT

ATTENTION

CATHY RYAN

85 MAY 28

5:51

VED
OF THE
STATEMENT OF DESIGNATION OF COUNSEL

85 MAY 28 AD: 53

MUR

1985 MAY 28 12:18

NAME OF COUNSEL:

Roy E. Kinsey Jr

ADDRESS:

1000 Connecticut Ave. N.W., 10th Floor
Washington, D.C. 20036

TELEPHONE:

775-8054

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

May 28, 1985

Signature

Charles A. Muesel

Treasurer - White & J. Committee

RESPONDENT'S NAME:

Charles A. Muesel

ADDRESS:

11 Plesser Drive
Greenwich, Conn. 06830

HOME PHONE:

203 869-7664

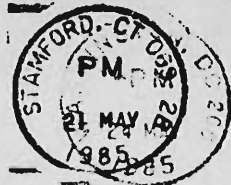
BUSINESS PHONE:

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Constitution Federal Committee

Pier 10 Drive, Greenwich, Conn. 06836



Federal Election Commission

1325 K Street N.W.

Washington, D.C. 20543

85 MAY 28

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ATTN
Miss Anna White



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 16, 1985

Charles Muessel, Treasurer
Weicker '82 Committee
11 Pierson Drive
Greenwich, CT 06830

RE: MUR 1992
Weicker '82 Committee;
Charles Muessel, as treasurer

Dear Mr. Muessel:

On May 7, 1985, the Federal Election Commission determined that there is reason to believe the Weicker '82 Committee 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 ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form

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Letter to Charles Muessel
Page 2

stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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

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

Sincerely,



John Warren McGarry
Chairman

Enclosures

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

cc: Senator Lowell Weicker

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GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1992

RESPONDENTS: Weicker '82 Committee;
Charles Muesel, as treasurer

SUMMARY OF ALLEGATIONS

The Weicker '82 Committee and Charles Muesel, as treasurer, accepted the costs of a fundraiser and/or solicitations conducted by the General Dynamics Corporation during 1981 on behalf of Senator Lowell Weicker, in violation of 2 U.S.C. § 441b(a).

FACTUAL BASIS AND LEGAL ANALYSIS

In the February 22, 1985, edition of the Washington Post it was reported that "Sen. Lowell P. Weicker, Jr. (R-Conn.) said yesterday that General Dynamics Corp. threw a fund-raising dinner for him in 1981 and then charged it to the Navy without his knowledge." According to the Washington Post, the dinner at issue was held on November 11, 1981, and "was hosted by P. Takis Veliotis, then general manager of Electric Boat," a division of General Dynamics.

The news article further states that when Senator Weicker "learned yesterday from the ABC "20/20" television program that General Dynamics had sent a bill of about \$1,000 to the Navy for expenses for his dinner, he demanded an apology from the corporation."^{1/} Ernest J. LeFevre, the Vice-President of Government Relations for General Dynamics, is reported to have sent Senator Weicker a letter on February 21, 1985, which stated:

^{1/} The New London Day reported on February 27, 1985, that the "\$1,608.31 dinner tab for 26 people at the Old Lyme Inn was charged to the Navy."

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As you know, this dinner was not a political fund-raiser but was organized as a private dinner party for honored guests in conjunction with the commissioning of U.S.S. Ohio Trident submarine.... We have talked with some of those who attended, [LeFevre continued,] ... and all have confirmed that there was no solicitation for political funds either before, during or after the dinner.

Senator Weicker is reported by the Washington Post to have been "furious" when he compared the letter from Ernest J. LeFevre to a letter he received from P. Takis Veliotis two days after the November 11, 1981, dinner. The following excerpt of the letter from P. Takis Veliotis appeared in the news article:

Dear Lowell: I am tremendously appreciative that you took time out of your very hectic schedule to join us Wednesday night. As I mentioned to you when you arrived, I am writing to each person that attended and am urging that they join me in financially supporting you in your campaign efforts....

The Washington Post news article continues on to state that after receiving the letter from Ernest J. LeFevre Senator Weicker sent a letter to the Navy's General Counsel with a cover letter that said:

The General Dynamics Corp hosted a dinner on my behalf on November 11, 1981. It was clearly a fund-raiser for my 1982 campaign. I have been advised by your office that General Dynamics charged the Navy for expenses associated with this dinner and that those were subsequently paid by the Navy. I was

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further advised that a Defense Contract Audit Agency report has noted and questioned those payments. (emphasis added).^{2/}

Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution or an expenditure in connection with a federal election, and a candidate, political committee or other person is prohibited from knowingly accepting or receiving a contribution from a corporation.

As set forth at 2 U.S.C. § 441c(a)(1) a federal contractor is prohibited from directly or indirectly making any contribution of money or other things of value, or to promise expressly or impliedly to make any such contribution or expenditure to any political party, committee or candidate for public office or to any person for any political purpose or use. In addition, it is unlawful for any person knowingly to solicit any such contribution from any such person for any such purpose during any such period. 2 U.S.C. § 441c(a)(2).

The record in this matter indicates that the General Dynamics Corporation, a federal contractor, paid the costs of a November 1981 fundraising dinner for Senator Weicker and/or solicited contributions to Senator Weicker's campaign immediately subsequent to the November 1981 dinner. In view of the fact that the dinner at issue was described as a fundraiser by Senator

^{2/} The New London Day also reported on February 27, 1985, that "at least two people who attended the testimonial never received Veliotis' letter and did not consider the Nov. 11, 1981 dinner to be a fundraiser." According to the New London Day, Senator Weicker "said the dinner was a fundraiser for his 1982 campaign and all funds were reported in accordance with federal election laws."

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Weicker himself it appears that the General Dynamics Corporation did expend funds for the purpose of influencing a federal election. As a corporation and a federal contractor the General Dynamics Corporation is prohibited from expending funds in connection with a federal election. By accepting from the General Dynamics Corporation the costs of the fundraiser at issue and/or the costs of solicitations for political contributions to Senator Weicker's campaign, it appears that the Weicker '82 Committee and Charles Muessel, as treasurer, have violated 2 U.S.C. § 441b(a). Accordingly, it is the recommendation of this office that the Commission find reason to believe the Weicker '82 Committee and Charles Muessel, as treasurer, violated 2 U.S.C. § 441b(a).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 16, 1985

David S. Lewis, Chairman
General Dynamics Corporation
Pierre Laclède Center
St. Louis, Missouri 63105

RE: MUR 1992
General Dynamics Corporation

Dear Mr. Lewis:

On May 7, 1985, the Federal Election Commission determined that there is reason to believe the General Dynamics Corporation violated 2 U.S.C. § 441b(a) and 441c(a)(1), provisions 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 General Dynamics Corporation. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials along with your answers to the enclosed questions within ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against the General Dynamics Corporation the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form

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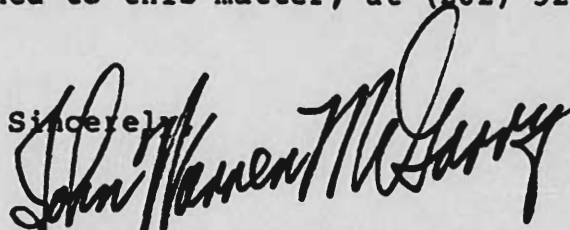
Letter to David S. Lewis
Page 2

stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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

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

Sincerely,



John Warren McGarry
Chairman

Enclosures

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

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Interrogatories to: General Dynamics Corporation

- 1a. State the purpose of the dinner conducted by the General Dynamics Corporation on November 11, 1981, which was attended by Senator Lowell Weicker.
- b. State the total cost of the dinner described in question 1a above.
- 2a. State whether prior to, or at any time during, the November 11, 1981, dinner described in question 1a above, the General Dynamics Corporation or any of its agents solicited contributions for Senator Lowell Weicker or the Weicker '82 Committee, or suggested that any person contribute to the political campaign of Senator Lowell Weicker.
- b. If the answer to question 2a is yes, describe such solicitations or suggestions in complete detail, including the dates and costs of such solicitations or suggestions, as well as the names of all agents of the General Dynamics Corporation who carried out such solicitations or made such suggestions.
3. State whether at any time subsequent to the November 11, 1981, dinner described in question 1a above, the General Dynamics Corporation or any of its agents solicited contributions for Senator Lowell Weicker or the Weicker '82 Committee, or suggested to any person or entity that they contribute to the political campaign of Senator Lowell Weicker.
- b. If the answer to question 3 is yes, describe such solicitations or suggestions in complete detail, including the dates and costs of such solicitations or suggestions, as well as the names of all agents of the General Dynamics Corporation who carried out such solicitations or made such suggestions.
4. State the names of all individuals who attended the November 11, 1981, dinner described in question 1a, including the mailing or business address of each such individual.

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GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1992

RESPONDENT: General Dynamics Corporation

SUMMARY OF ALLEGATIONS

The General Dynamics Corporation paid the costs of a fundraiser and/or solicited contributions on behalf of Senator Lowell Weicker during 1981, in violation of 2 U.S.C. §§ 441b(a) and 441c(a)(1).

FACTUAL BASIS AND LEGAL ANALYSIS

In the February 22, 1985, edition of the Washington Post it was reported that "Sen. Lowell P. Weicker, Jr. (R-Conn.) said yesterday that General Dynamics Corp. threw a fund-raising dinner for him in 1981 and then charged it to the Navy without his knowledge." According to the Washington Post, the dinner at issue was held on November 11, 1981, and "was hosted by P. Takis Veliotis, then general manager of Electric Boat," a division of General Dynamics.

The news article further states that when Senator Weicker "learned yesterday from the ABC "20/20" television program that General Dynamics had sent a bill of about \$1,000 to the Navy for expenses for his dinner, he demanded an apology from the corporation."^{1/} Ernest J. LeFevre, the Vice-President of Government Relations for General Dynamics, is reported to have sent Senator Weicker a letter on February 21, 1985, which stated:

^{1/} The New London Day reported on February 27, 1985, that the "\$1,608.31 dinner tab for 26 people at the Old Lyme Inn was charged to the Navy."

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As you know, this dinner was not a political fund-raiser but was organized as a private dinner party for honored guests in conjunction with the commissioning of U.S.S. Ohio Trident submarine.... We have talked with some of those who attended, [LeFevre continued,] ... and all have confirmed that there was no solicitation for political funds either before, during or after the dinner.

Senator Weicker is reported by the Washington Post to have been "furious" when he compared the letter from Ernest J. LeFevre to a letter he received from P. Takis Veliotis two days after the November 11, 1981, dinner. The following excerpt of the letter from P. Takis Veliotis appeared in the news article:

Dear Lowell: I am tremendously appreciative that you took time out of your very hectic schedule to join us Wednesday night. As I mentioned to you when you arrived, I am writing to each person that attended and am urging that they join me in financially supporting you in your campaign efforts....

The Washington Post news article continues on to state that after receiving the letter from Ernest J. LeFevre Senator Weicker sent a letter to the Navy's General Counsel with a cover letter that said:

The General Dynamics Corp hosted a dinner on my behalf on November 11, 1981. It was clearly a fund-raiser for my 1982 campaign. I have been advised by your office that General Dynamics charged the Navy for expenses associated with

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this dinner and that those were subsequently paid by the Navy. I was further advised that a Defense Contract Audit Agency report has noted and questioned those payments. (emphasis added).^{2/}

Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution or an expenditure in connection with a federal election, and a candidate, political committee or other person is prohibited from knowingly accepting or receiving a contribution from a corporation.

As set forth at 2 U.S.C. § 441c(a)(1) a federal contractor is prohibited from directly or indirectly making any contribution of money or other things of value, or to promise expressly or impliedly to make any such contribution or expenditure to any political party, committee or candidate for public office or to any person for any political purpose or use. In addition, it is unlawful for any person knowingly to solicit any such contribution from any such person for any such purpose during any such period. 2 U.S.C. § 441c(a)(2).

^{2/} The New London Day also reported on February 27, 1985, that "at least two people who attended the testimonial never received Veliotis' letter and did not consider the Nov. 11, 1981 dinner to be a fundraiser." According to the New London Day, Senator Weicker "said the dinner was a fundraiser for his 1982 campaign and all funds were reported in accordance with federal election laws."

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The record in this matter indicates that the General Dynamics Corporation, a federal contractor, paid the costs of a November 1981 fundraising dinner for Senator Weicker and/or solicited contributions to Senator Weicker's campaign immediately subsequent to the November 1981 dinner. In view of the fact that the dinner at issue was described as a fundraiser by Senator Weicker himself it appears that the General Dynamics Corporation did expend funds for the purpose of influencing a federal election. As a corporation and a federal contractor the General Dynamics Corporation is prohibited from expending funds in connection with a federal election. By paying the costs of the fundraiser at issue and/or the costs of solicitations on behalf of Senator Weicker's campaign, it appears that the General Dynamics Corporation has violated 2 U.S.C. §§ 441b(a) and 441c(a)(1). Accordingly, it is the recommendation of this office that the Commission find reason to believe the General Dynamics Corporation violated 2 U.S.C. §§ 441b(a) and 441c(a)(1).

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
General Dynamics Corporation)
Senator Lowell Weicker) Pre-MUR 142
Weicker '82 Committee)
Charles Muessel, as treasurer)
Boeing Corporation)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of May 7,
1985, do hereby certify that the Commission took the
following actions in Pre-MUR 142:

1. Decided by a vote of 5-0 to amend
recommendations #1 and #3 of the
General Counsel's April 25, 1985 report
by deleting the name of Lowell Weicker.

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

2. Decided by a vote of 4-1 to open a Matter
Under Review with respect to allegations
concerning the General Dynamics
Corporation.

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

(continued)

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3. Decided by a vote of 4-1 to

- a) Find reason to believe the General Dynamics Corporation violated 2 U.S.C. §§ 441b(a) and 441c(a) (1).
- b) Find reason to believe the Weicker '82 Committee, and Charles Muessel, as treasurer, violated 2 U.S.C. § 441b(a).
- c) Hold in abeyance any action with respect to allegations concerning the Boeing Corporation.
- d) Direct the General Counsel to send appropriate letters, interrogatories, and General Counsel's Factual and Legal Analyses to the appropriate parties.

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

Attest:

5-8-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

35040563401



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL
FROM: *MWE* MARJORIE W. EMMONS/ JODY C. RANSOM *JCR*
DATE: MAY 2, 1985
SUBJECT: OBJECTIONS - Pre-MUR 142 First General
Counsel's Report signed April 25, 1985

The above-named document was circulated to the
Commission on Tuesday, April 30, 1985 at 11:00.

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

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

This matter will be placed on the Executive Session
agenda for Tuesday, May 7, 1985.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL
FROM: MARJORIE W. EMMONS/JODY C. RANSOM *JCR*
DATE: APRIL 30, 1985
SUBJECT: PRE-MUR 142 - First General Counsel's
Report signed April 25, 1985

The above-named document was circulated to the
Commission on Tuesday, April 30, 1985 at 11:00.

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

Commissioner Aikens	_____
Commissioner Elliott	_____ X _____
Commissioner Harris	_____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Reiche	_____

This matter will be placed on the Executive Session
agenda for Tuesday, May 7, 1985.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL
FROM: MARJORIE W. EMMONS/JODY C. RANSOM *JCR*
DATE: MAY 1, 1985
SUBJECT: OBJECTIONS - PRE-MUR 142 First General
Counsel's Report signed April 25, 1985

The above-named document was circulated to the
Commission on Tuesday, April 30, 1985 at 11:00.

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

Commissioner Aikens	_____
Commissioner Elliott	_____X_____
Commissioner Harris	_____X_____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Reiche	_____

This matter will be placed on the Executive Session
agenda for Tuesday, May 7, 1985.

35040563404



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel
DATE: April 29, 1985
SUBJECT: Pre-MUR 142 - First General Counsel's Report

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

CIRCULATIONS

48 Hour Tally Vote ☒
Sensitive ☒
Non-Sensitive ☐

24 Hour No Objection ☒
Sensitive ☒
Non-Sensitive ☐

Information ☐
Sensitive ☐
Non-Sensitive ☐

Other ☐

DISTRIBUTION

Compliance ☒

Audit Matters ☐

Litigation ☐

Closed MUR Letters ☐

Status Sheets ☐

Advisory Opinions ☐

Other (see distribution below) ☐

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SENSITIVE

**FEDERAL ELECTION COMMISSION
FIRST GENERAL COUNSEL'S REPORT**

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION _____

Pre-MUR 142 APR 29 85:05
Staff Maura White

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

RESPONDENTS' NAMES: General Dynamics Corporation
Senator Lowell Weicker
Weicker '82 Committee
Charles Muessel, as treasurer
Boeing Corporation

RELEVANT STATUTE: 2 U.S.C. §§ 441b(a) and 441c(a)

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: Defense Contract Audit Agency

GENERATION OF MATTER

On March 14, 1985, the Office of General Counsel received a request from Commissioner Thomas E. Harris to present recommendations to the Commission as to whether the General Dynamics Corporation and the Boeing Corporation violated certain provisions of the Act based upon allegations emanating from separate audits of these two companies by the Defense Contract Audit Agency (Attachment 1).

FACTUAL AND LEGAL ANALYSIS

A. Facts

1. General Dynamics Corporation

In the February 22, 1985, edition of the Washington Post it was reported that "Sen. Lowell P. Weicker, Jr. (R-Conn.) said yesterday that General Dynamics Corp. threw a fund-raising dinner for him in 1981 and then charged it to the Navy without his knowledge." According to the Washington Post, the dinner at

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issue was held on November 11, 1981, and "was hosted by P. Takis Veliotis, then general manager of Electric Boat," a division of General Dynamics.

The news article further states that when Senator Weicker "learned yesterday from the ABC "20/20" television program that General Dynamics had sent a bill of about \$1,000 to the Navy for expenses for his dinner, he demanded an apology from the corporation."^{1/} Ernest J. LeFevre, the Vice-President of Government Relations for General Dynamics, is reported to have sent Senator Weicker a letter on February 21, 1985, which stated in pertinent part:

As you know, this dinner was not a political fund-raiser but was organized as a private dinner party for honored guests in conjunction with the commissioning of U.S.S. Ohio Trident submarine.... We have talked with some of those who attended, LeFevre continued, ... and all have confirmed that there was no solicitation for political funds either before, during or after the dinner.

Senator Weicker is reported by the Washington Post to have been "furious" when he compared the letter from Ernest J. LeFevre to a letter he received from P. Takis Veliotis two days after the November 11, 1981, dinner. The following excerpt of the letter from P. Takis Veliotis appeared in the news article:

^{1/} The New London Day reported on February 27, 1985, that the \$1,608.31 dinner tab for 26 people at the Old Lyme Inn was charged to the Navy.

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Dear Lowell: I am tremendously appreciative that you took time out of your very hectic schedule to join us Wednesday night. As I mentioned to you when you arrived, I am writing to each person that attended and am urging that they join me in financially supporting you in your campaign efforts....

The Washington Post news article continues on to state that after receiving the letter from Ernest J. LeFevre Senator Weicker sent a letter to the Navy's General Counsel with a cover letter that said:

The General Dynamics Corp hosted a dinner on my behalf on November 11, 1981. It was clearly a fund-raiser for my 1982 campaign. I have been advised by your office that General Dynamics charged the Navy for expenses associated with this dinner and that those were subsequently paid by the Navy. I was further advised that a Defense Contract Audit Agency report has noted and questioned those payments. (emphasis added).^{2/}

2. Boeing Corporation

The March 5, 1985, edition of The Washington Post reported that the Boeing Corporation "billed the Pentagon for nearly \$127,000 in political contributions 1982," but agreed to withdraw "nearly half of the request yesterday after a Pentagon audit questioning the contributions was made public." According

^{2/} The New London Day also reported on February 27, 1985, that "at least two people who attended the testimonial never received Veliotis' letter and did not consider the Nov. 11, 1981 dinner to be a fundraiser." According to the New London Day, Senator Weicker "said the dinner was a fundraiser for his 1982 campaign and all funds were reported in accordance with federal election laws."

to the news article, a spokesman for Boeing stated that the bills in dispute cover "legitimate expenses for public and community relations except for certain political contributions mistakenly submitted." The funds at issue are reported to include \$61,075 in donations to politicians in Washington state and \$65,772 in political contributions to "local Democratic and Republican parties and campaign organizations, state political action committees and groups promoting various voter referendums in Washington state."^{3/}

B. The applicable law

Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution or an expenditure in connection with a federal election, and a candidate, political committee or other person is prohibited from knowingly accepting or receiving a contribution from a corporation.

As set forth at 2 U.S.C. § 441c(a)(1) a federal contractor is prohibited from directly or indirectly making any contribution of money or other things of value, or to promise expressly or impliedly to make any such contribution or expenditure to any political party, committee or candidate for public office or to any person for any political purpose or use. In addition, it is unlawful for any person knowingly to solicit any such contribution from any such person for any such purpose during any such period. 2 U.S.C. § 441c(a)(2).

^{3/} The news article reported that the most expensive contribution to a voter issue drive was \$25,000 for the "Kill 435 Now Committee" which a Boeing spokesman said was set up to lobby against a sales tax on food in Washington state.

Section 115.2(a) of Title 11, Code of Federal Regulations, limits the above prohibition of in 2 U.S.C. § 441c(a) by expressly stating that it is unlawful for a federal contractor to make, either directly or indirectly, any contribution or expenditure of money or other thing of value, or to promise expressly or impliedly to make such contribution or expenditure to any political party, committee, or candidate for federal office or to any person for any political purpose or use. The above prohibition, however, does not apply to contributions or expenditures in connection with state or local elections. See 11 C.F.R. § 115.2(a).

C. Application of the law to the facts

1. General Dynamics Corporation

The record in this matter indicates that the General Dynamics Corporation, a federal contractor, paid the costs of a November 1981 fundraising dinner for Senator Weicker and/or solicited contributions to Senator Weicker's campaign immediately subsequent to the November 1981 dinner. In view of the fact that the dinner at issue was described as a fundraiser by Senator Weicker himself it appears that the General Dynamics Corporation did expend funds for the purpose of influencing a federal election. It also seems that Senator Weicker was aware of General Dynamics' plan to solicit contributions on his behalf since he was apparently apprised of such proposed activity subsequent to his arrival at the November 1981 dinner. As a corporation and a federal contractor the General Dynamics

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Corporation is prohibited from expending funds in connection with a federal election. By paying the costs of the fundraiser at issue and/or the costs of solicitations on behalf of Senator Weicker's campaign, it appears that the General Dynamics Corporation has violated 2 U.S.C. §§ 441b(a) and 441c(a)(1). In addition, by accepting from the General Dynamics Corporation the costs of a fundraiser and/or the costs of solicitations for political contributions to Senator Lowell Weicker's campaign, Lowell Weicker, the Weicker '82 Committee, and Charles Muesel, as treasurer, have violated 2 U.S.C. § 441b(a). Accordingly, it is the recommendation of this office that the Commission open a Matter Under Review with respect to allegations concerning the General Dynamics Corporation and find reason to believe the General Dynamics Corporation violated 2 U.S.C. §§ 441b(a) and 441c(a)(1), and that Senator Lowell Weicker, the Weicker '82 Committee, and Charles Muesel, as treasurer, violated 2 U.S.C. § 441b(a).

2. Boeing Corporation

From the information in hand it appears that the Boeing Corporation made political contributions totalling \$61,075 to "politicians in Washington state," and totalling \$65,772 to local political party committees and "state political action committees" during 1982. Although contributions by Boeing are permissible for use in state and local elections (see 11 C.F.R. § 115.2(a)), it is possible that some of the funds donated by Boeing were accepted by federal candidates or into the federal accounts of political committees.

It is, therefore, the recommendation of this office that at this time the Commission hold in abeyance any action with respect to allegations concerning the Boeing

GENERAL COUNSEL'S RECOMMENDATIONS

1. Open a Matter Under Review with respect to allegations concerning the General Dynamics Corporation and Lowell Weicker.
2. Find reason to believe the General Dynamics Corporation violated 2 U.S.C. §§ 441b(a) and 441c(a)(1).
3. Find reason to believe Lowell Weicker, the Weicker '82 Committee, and Charles Muessel, as treasurer, violated 2 U.S.C. § 441b(a).
4. Hold in abeyance any action with respect to allegations concerning the Boeing Corporation.

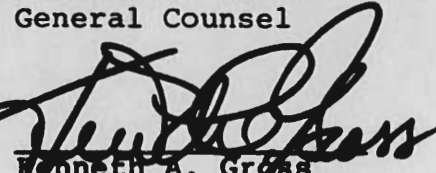
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5. Approve the attached letters, interrogatories, and General Counsel's Factual and Legal Analyses.

Charles N. Steele
General Counsel

April 25, 1985
Date

By:



Kenneth A. Gross
Associate General Counsel

Attachments

1-Referral

2-Proposed letters (3)

85040563413



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM

March 14, 1985

TO: Charles N. Steele
General Counsel

FROM: Thomas E. Harris *Thomas E. Harris*
Commissioner

SUBJECT: Possible violations of 2 U.S.C. §§441b and 441c by
General Dynamics Corporation and Boeing Company

Recent news articles in the Washington Post suggest that General Dynamics Corporation and the Boeing Company may have made disbursements from treasury funds for the purpose of influencing elections, thereby committing violations of 2 U.S.C. §441b and/or 2 U.S.C. §441c.* The allegations emanate from audits of these companies conducted by the Defense Contract Audit Agency.

In a February 22, 1985, article Senator Lowell Weicker is reported to have written to the Navy general counsel asserting that a dinner hosted on Weicker's behalf by General Dynamics Corporation in 1981 was "clearly a fund-raiser for my 1982 campaign." See Attachment 1. I request that the Office of General Counsel present to the Commission a recommendation as to whether this amounts to reason to believe a violation of 2 U.S.C. §441b and/or 2 U.S.C. §441c occurred.

In an article dated March 5, 1985, the Washington Post reports that the Boeing Company paid \$61,075 in "donations to politicians in Washington state" and \$67,772 in "political contributions to local Democratic and Republican parties and campaign organizations, state political action committees and groups promoting various voter referendums in Washington state." See Attachment 2. As a government contractor, Boeing would be prohibited from making contributions to a political party, committee, or candidate even at the state or local level. See 2 U.S.C. §441c. I therefore request the Office of General Counsel to present a recommendation to the Commission on whether there is reason to believe a violation of 2 U.S.C. §441c occurred.

*It is unlawful for any corporation whatever to make a contribution or expenditure in connection with a federal election. 2 U.S.C. §441b. It is unlawful for a government contractor to make a contribution to any political party, committee, or candidate for public office or to any person for any political purpose. 2 U.S.C. §441c.

Attachment 1(1)

PRESS OFFICE NEWS AND VIEWS

General Dynamics Corp. Draws Weicker's Anger

By George C. Wilson
Washington Post Staff Writer

Sen. Lowell P. Weicker Jr. (R-Conn.) said yesterday that General Dynamics Corp. threw a fund-raising dinner for him in 1981 and then charged it to the Navy without his knowledge.

Weicker demanded yesterday that General Dynamics send him a letter of apology and he alerted the general counsel of the Navy to its contents.

This unusual argument between a senator and one of the biggest employers in his state adds to the controversy over the financial practices of General Dynamics and its Electric Boat Division in Groton, Conn. A federal grand jury is investigating allegations of fraud by Electric Boat on its submarine building program, and the Pentagon's Defense Contract Audit Agency is challenging some bills General Dynamics sent to the government.

The Weicker dinner was held Nov. 11, 1981 and was hosted by P. Takis Veliotis, then general manager of Electric Boat. Two days later Veliotis wrote Weicker:

"Dear Lowell: I am tremendously appreciative that you took time out of your very hectic schedule to join us Wednesday night. As I mentioned to you when you arrived, I am writing to each person that attended and am urging that they join me in financially supporting you in your campaign efforts...."

When Weicker learned yesterday from the ABC "20/20" television program that General Dynamics

had sent a bill of about \$1,000 to the Navy for expenses for his dinner, he demanded an apology from the corporation. Ernest J. LeFevre, General Dynamics vice president for government relations, sent a hand-carried letter to Weicker yesterday, which stated:

"As you know, this dinner was not a political fund-raiser but was organized as a private dinner party for honored guests in conjunction with the commissioning of U.S.S. Ohio Trident submarine.... We have talked with some of those who attended," LeFevre continued, "...and all have confirmed that there was no solicitation for political funds either before, during or after the dinner."

Weicker, according to his aides, was furious when he compared the LeFevre letter to the one from Veliotis in his office file. He sent both letters to Walter T. Skallerup Jr., Navy general counsel, with a covering letter that said:

"The General Dynamics Corp. hosted a dinner on my behalf on November 11, 1981. It was clearly a fund-raiser for my 1982 campaign. I have been advised by your office that General Dynamics charged the Navy for expenses associated with this dinner and that those were subsequently paid by the Navy. I was further advised that a Defense Contract Audit Agency report has noted and questioned those payments." Weicker added that he was sending along LeFevre's "misleading letter of apology" along with Veliotis' letter to use "as you deem appropriate."

Washington Post, 3-5-88

Boeing Co. Reduces Billing Of Pentagon for Donations

By Michael Weiskopf
Washington Post Staff Writer

The Boeing Co. billed the Pentagon for nearly \$127,000 in political contributions in 1982, attempting to pass along the costs to U.S. taxpayers as part of the price of building weapons systems.

But Boeing agreed to withdraw nearly half of the request yesterday after a Pentagon audit questioning the contributions was made public.

The auditors challenged the political contributions and \$36,200 in other Boeing bills in 1982, including donations to the Salvation Army and tickets to social functions ranging from a Boy Scout golf tournament to a Hanukkah dinner hosted by

the Jewish National Fund. Boeing spokesman Harold Carr said the bills cover legitimate expenses for "public and community relations" except for certain political contributions mistakenly submitted.

"It may have been a bookkeeping error," Carr said of \$61,075 in donations to politicians in Washington state, where the aerospace giant is based.

But he defended Boeing's billing for \$36,200 in "community donations" and \$65,772 in political contributions to local Democratic and Republican parties and campaign organizations, state political action committees and groups promoting

See BOEING, A7, Col. 1

Boeing Co. Reduces Billing

BOEING, From A1

various voter referendums in Washington state.

"The other charges are worth putting on the table for the negotiating process," Carr said. "Just like everything else, the costs of doing business have to be paid by someone."

The charges are among \$14.9 million submitted by certain defense contractors to be challenged by the Defense Contract Audit Agency. Included are \$4.6 million for General Dynamics and \$4.5 million for Rockwell International.

None of the charges questioned

by the auditors has been paid, but they are likely to trigger protests in Congress, where lawmakers out to cut military spending have blamed defense contractors for waste and fraud. Pentagon auditors last year told Congress that defense contractors are "incurring over \$140 million annually in public relations costs under defense contracts."

"It's tough to be shocked at waste in weapons programs any more, but these billings go beyond impropriety," Rep. Fortney H. (Pete) Stark Jr. (D-Calif.), whose office released the audit, said yesterday. "The contractors either take us for fools or they're incapable

of understanding what constitutes a legitimate bill."

Defense contractors are allowed by the Pentagon to charge the government for certain public relations expenses as part of general overhead added to weapons systems.

But contractors and critics alike complain that the regulations are vague.

Carr said Boeing believes it is entitled to bill the government for "public and community relations," a category that covers costs of supporting or opposing school, municipal and legislative issues as well as "donations to benefits and other community efforts."

The company's most expensive contribution to a voter-issue drive was \$25,000 for the "Kill 435 Now Committee," which Carr said was

set up to lobby against a sales tax on food in Washington state. He said the Pentagon is willing to absorb "costs dealing with employee morale," and since rising food prices would affect Boeing workers, "we consider the charges allowable."

Asked why U.S. taxpayers should pay for this, Carr said, "It's certainly a debatable issue."

Among other charges questioned by auditors were those listed under "entertainment," including \$1,200 for the Hanukkah dinner, \$500 for the Boy Scout golf tournament, \$1,500 for an Anti-Defamation League award banquet, \$250 for a Japanese-American Citizens League banquet, \$500 for a University of Washington Hall of Fame banquet and \$1,195 for local Chamber of Commerce events.

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Attachment 2

Attachment 1 (3)

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

David S. Lewis, Chairman
General Dynamics Corporation
Pierre Laclède Center
St. Louis, Missouri 63105

RE: MUR
General Dynamics Corporation

Dear Mr. Lewis:

On , 1985, the Federal Election Commission determined that there is reason to believe the General Dynamics Corporation violated 2 U.S.C. § 441b(a) and 441c(a)(1), provisions 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 General Dynamics Corporation. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials along with your answers to the enclosed questions within ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against the General Dynamics Corporation the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form

Attachment 2(1)

Letter to David S. Lewis
Page 2

stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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

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

Sincerely,

John Warren McGarry
Chairman

Enclosures

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

2(2)

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Interrogatories to: General Dynamics Corporation

- 85040563419
- 1a. State the purpose of the dinner conducted by the General Dynamics Corporation on November 11, 1981, which was attended by Senator Lowell Weicker.
 - b. State the total cost of the dinner described in question 1a above.
 - 2a. State whether prior to, or at any time during, the November 11, 1981, dinner described in question 1a above, the General Dynamics Corporation or any of its agents solicited contributions for Senator Lowell Weicker or the Weicker '82 Committee, or suggested that any person contribute to the political campaign of Senator Lowell Weicker.
 - b. If the answer to question 2a is yes, describe such solicitations or suggestions in complete detail, including the dates and costs of such solicitations or suggestions, as well as the names of all agents of the General Dynamics Corporation who carried out such solicitations or made such suggestions.
 3. State whether at any time subsequent to the November 11, 1981, dinner described in question 1a above, the General Dynamics Corporation or any of its agents solicited contributions for Senator Lowell Weicker or the Weicker '82 Committee, or suggested to any person or entity that they contribute to the political campaign of Senator Lowell Weicker.
 - b. If the answer to question 3 is yes, describe such solicitations or suggestions in complete detail, including the dates and costs of such solicitations or suggestions, as well as the names of all agents of the General Dynamics Corporation who carried out such solicitations or made such suggestions.
 4. State the names of all individuals who attended the November 11, 1981, dinner described in question 1a, including the mailing or business address of each such individual.

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. _____

RESPONDENT: General Dynamics Corporation

SUMMARY OF ALLEGATIONS

The General Dynamics Corporation paid the costs of a fundraiser and/or solicited contributions on behalf of Senator Lowell Weicker during 1981, in violation of 2 U.S.C. §§ 441b(a) and 441c(a)(1).

FACTUAL BASIS AND LEGAL ANALYSIS

In the February 22, 1985, edition of the Washington Post it was reported that "Sen. Lowell P. Weicker, Jr. (R-Conn.) said yesterday that General Dynamics Corp. threw a fund-raising dinner for him in 1981 and then charged it to the Navy without his knowledge." According to the Washington Post, the dinner at issue was held on November 11, 1981, and "was hosted by P. Takis Veliotis, then general manager of Electric Boat," a division of General Dynamics.

The news article further states that when Senator Weicker "learned yesterday from the ABC "20/20" television program that General Dynamics had sent a bill of about \$1,000 to the Navy for expenses for his dinner, he demanded an apology from the corporation."^{1/} Ernest J. LeFevre, the Vice-President of Government Relations for General Dynamics, is reported to have sent Senator Weicker a letter on February 21, 1985, which stated:

^{1/} The New London Day reported on February 27, 1985, that the "\$1,608.31 dinner tab for 26 people at the Old Lyme Inn was charged to the Navy."

As you know, this dinner was not a political fund-raiser but was organized as a private dinner party for honored guests in conjunction with the commissioning of U.S.S. Ohio Trident submarine.... We have talked with some of those who attended, LeFevre continued, ... and all have confirmed that there was no solicitation for political funds either before, during or after the dinner.

Senator Weicker is reported by the Washington Post to have been "furious" when he compared the letter from Ernest J. LeFevre to a letter he received from P. Takis Veliotis two days after the November 11, 1981, dinner. The following excerpt of the letter from P. Takis Veliotis appeared in the news article:

Dear Lowell: I am tremendously appreciative that you took time out of your very hectic schedule to join us Wednesday night. As I mentioned to you when you arrived, I am writing to each person that attended and am urging that they join me in financially supporting you in your campaign efforts....

The Washington Post news article continues on to state that after receiving the letter from Ernest J. LeFevre Senator Weicker sent a letter to the Navy's General Counsel with a cover letter that said:

The General Dynamics Corp hosted a dinner on my behalf on November 11, 1981. It was clearly a fund-raiser for my 1982 campaign. I have been advised by your office that General Dynamics charged the Navy for expenses associated with

this dinner and that those were subsequently paid by the Navy. I was further advised that a Defense Contract Audit Agency report has noted and questioned those payments. (emphasis added).2/

Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution or an expenditure in connection with a federal election, and a candidate, political committee or other person is prohibited from knowingly accepting or receiving a contribution from a corporation.

As set forth at 2 U.S.C. § 441c(a)(1) a federal contractor is prohibited from directly or indirectly making any contribution of money or other things of value, or to promise expressly or impliedly to make any such contribution or expenditure to any political party, committee or candidate for public office or to any person for any political purpose or use. In addition, it is unlawful for any person knowingly to solicit any such contribution from any such person for any such purpose during any such period. 2 U.S.C. § 441c(a)(2).

2/ The New London Day also reported on February 27, 1985, that "at least two people who attended the testimonial never received Veliotis' letter and did not consider the Nov. 11, 1981 dinner to be a fundraiser." According to the New London Day, Senator Weicker "said the dinner was a fundraiser for his 1982 campaign and all funds were reported in accordance with federal election laws."

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The record in this matter indicates that the General Dynamics Corporation, a federal contractor, paid the costs of a November 1981 fundraising dinner for Senator Weicker and/or solicited contributions to Senator Weicker's campaign immediately subsequent to the November 1981 dinner. In view of the fact that the dinner at issue was described as a fundraiser by Senator Weicker himself it appears that the General Dynamics Corporation did expend funds for the purpose of influencing and a federal election. It also seems that Senator Weicker was aware of General Dynamics' plan to solicit contributions on his behalf since he was apparently apprised of such activity subsequent to his arrival at the November 1981 dinner. As a corporation and a federal contractor the General Dynamics Corporation is prohibited from expending funds in connection with a federal election. By paying the costs of the fundraiser at issue and/or the costs of solicitations on behalf of Senator Weicker's campaign, it appears that the General Dynamics Corporation has violated 2 U.S.C. §§ 441b(a) and 441c(a)(1). Accordingly, it is the recommendation of this office that the Commission find reason to believe the General Dynamics Corporation violated 2 U.S.C. §§ 441b(a) and 441c(a)(1).



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Charles Muessel, Treasurer
Weicker '82 Committee
11 Pierson Drive
Greenwich, CT 06830

RE: MUR
Weicker '82 Committee;
Charles Muessel, as treasurer

Dear Mr. Muessel:

On , 1985, the Federal Election Commission determined that there is reason to believe the Weicker '82 Committee 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 ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form

Letter to Charles Muessel
Page 2

stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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

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

Sincerely,

John Warren McGarry
Chairman

Enclosures

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

cc: Senator Lowell Weicker

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35040563425

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. _____

RESPONDENTS: Weicker '82 Committee;
Charles Muessel, as treasurer

SUMMARY OF ALLEGATIONS

The Weicker '82 Committee and Charles Muessel, as treasurer, accepted the costs of a fundraiser and/or solicitations conducted by the General Dynamics Corporation during 1981 on behalf of Senator Lowell Weicker, in violation of 2 U.S.C. § 441b(a).

FACTUAL BASIS AND LEGAL ANALYSIS

In the February 22, 1985, edition of the Washington Post it was reported that "Sen. Lowell P. Weicker, Jr. (R-Conn.) said yesterday that General Dynamics Corp. threw a fund-raising dinner for him in 1981 and then charged it to the Navy without his knowledge." According to the Washington Post, the dinner at issue was held on November 11, 1981, and "was hosted by P. Takis Veliotis, then general manager of Electric Boat," a division of General Dynamics.

The news article further states that when Senator Weicker "learned yesterday from the ABC "20/20" television program that General Dynamics had sent a bill of about \$1,000 to the Navy for expenses for his dinner, he demanded an apology from the corporation."^{1/} Ernest J. LeFevre, the Vice-President of Government Relations for General Dynamics, is reported to have sent Senator Weicker a letter on February 21, 1985, which stated:

^{1/} The New London Day reported on February 27, 1985, that the "\$1,608.31 dinner tab for 26 people at the Old Lyme Inn was charged to the Navy."

As you know, this dinner was not a political fund-raiser but was organized as a private dinner party for honored guests in conjunction with the commissioning of U.S.S. Ohio Trident submarine.... We have talked with some of those who attended, LeFevre continued, ... and all have confirmed that there was no solicitation for political funds either before, during or after the dinner.

Senator Weicker is reported by the Washington Post to have been "furious" when he compared the letter from Ernest J. LeFevre to a letter he received from P. Takis Veliotis two days after the November 11, 1981, dinner. The following excerpt of the letter from P. Takis Veliotis appeared in the news article:

Dear Lowell: I am tremendously appreciative that you took time out of your very hectic schedule to join us Wednesday night. As I mentioned to you when you arrived, I am writing to each person that attended and am urging that they join me in financially supporting you in your campaign efforts....

The Washington Post news article continues on to state that after receiving the letter from Ernest J. LeFevre Senator Weicker sent a letter to the Navy's General Counsel with a cover letter that said:

The General Dynamics Corp hosted a dinner on my behalf on November 11, 1981. It was clearly a fund-raiser for my 1982 campaign. I have been advised by your office that General Dynamics charged the Navy for expenses associated with

this dinner and that those were subsequently paid by the Navy. I was further advised that a Defense Contract Audit Agency report has noted and questioned those payments. (emphasis added).^{2/}

Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution or an expenditure in connection with a federal election, and a candidate, political committee or other person is prohibited from knowingly accepting or receiving a contribution from a corporation.

As set forth at 2 U.S.C. § 441c(a)(1) a federal contractor is prohibited from directly or indirectly making any contribution of money or other things of value, or to promise expressly or impliedly to make any such contribution or expenditure to any political party, committee or candidate for public office or to any person for any political purpose or use. In addition, it is unlawful for any person knowingly to solicit any such contribution from any such person for any such purpose during any such period. 2 U.S.C. § 441c(a)(2).

^{2/} The New London Day also reported on February 27, 1985, that "at least two people who attended the testimonial never received Veliotis' letter and did not consider the Nov. 11, 1981 dinner to be a fundraiser." According to the New London Day, Senator Weicker "said the dinner was a fundraiser for his 1982 campaign and all funds were reported in accordance with federal election laws."

The record in this matter indicates that the General Dynamics Corporation, a federal contractor, paid the costs of a November 1981 fundraising dinner for Senator Weicker and/or solicited contributions to Senator Weicker's campaign immediately subsequent to the November 1981 dinner. In view of the fact that the dinner at issue was described as a fundraiser by Senator Weicker himself it appears that the General Dynamics Corporation did expend funds for the purpose of influencing a federal election. It also seems that Senator Weicker was aware of General Dynamics' plan to solicit contributions on his behalf since he was apparently apprised of such activity subsequent to his arrival at the November 1981 dinner. As a corporation and a federal contractor the General Dynamics Corporation is prohibited from expending funds in connection with a federal election. By accepting from the General Dynamics Corporation the costs of the fundraiser at issue and/or the costs of solicitations for political contributions to Senator Weicker's campaign, it appears that the Weicker '82 Committee and Charles Muessel, as treasurer, have violated 2 U.S.C. § 441b(a). Accordingly, it is the recommendation of this office that the Commission find reason to believe the Weicker '82 Committee and Charles Muessel, as treasurer, violated 2 U.S.C. § 441b(a).



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

The Honorable Lowell P. Weicker
303 Hart Senate Office Building
Washington, D.C. 20510

RE: MUR
Senator Lowell Weicker

Dear Senator:

On , 1985, the Federal Election Commission determined that there is reason to believe you 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. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within ten days of your receipt of this letter.

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

2(14)

Letter to Senator Lowell Weicker
Page 2

stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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

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

Sincerely,

John Warren McGarry
Chairman

Enclosures

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

2(15)

85040563431

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. _____

RESPONDENT: Senator Lowell Weicker

SUMMARY OF ALLEGATIONS

Senator Lowell Weicker accepted the costs of a fundraiser and/or solicitations conducted by the General Dynamics Corporation during 1981 on his behalf, in violation of 2 U.S.C. § 441b(a).

FACTUAL BASIS AND LEGAL ANALYSIS

In the February 22, 1985, edition of the Washington Post it was reported that "Sen. Lowell P. Weicker, Jr. (R-Conn.) said yesterday that General Dynamics Corp. threw a fund-raising dinner for him in 1981 and then charged it to the Navy without his knowledge." According to the Washington Post, the dinner at issue was held on November 11, 1981, and "was hosted by P. Takis Veliotis, then general manager of Electric Boat," a division of General Dynamics.

The news article further states that when Senator Weicker "learned yesterday from the ABC "20/20" television program that General Dynamics had sent a bill of about \$1,000 to the Navy for expenses for his dinner, he demanded an apology from the corporation."^{1/} Ernest J. LeFevre, the Vice-President of Government Relations for General Dynamics, is reported to have sent Senator Weicker a letter on February 21, 1985, which stated:

^{1/} The New London Day reported on February 27, 1985, that the "\$1,608.31 dinner tab for 26 people at the Old Lyme Inn was charged to the Navy."

As you know, this dinner was not a political fund-raiser but was organized as a private dinner party for honored guests in conjunction with the commissioning of U.S.S. Ohio Trident submarine.... We have talked with some of those who attended, LeFevre continued, ... and all have confirmed that there was no solicitation for political funds either before, during or after the dinner.

Senator Weicker is reported by the Washington Post to have been "furious" when he compared the letter from Ernest J. LeFevre to a letter he received from P. Takis Veliotis two days after the November 11, 1981, dinner. The following excerpt of the letter from P. Takis Veliotis appeared in the news article:

Dear Lowell: I am tremendously appreciative that you took time out of your very hectic schedule to join us Wednesday night. As I mentioned to you when you arrived, I am writing to each person that attended and am urging that they join me in financially supporting you in your campaign efforts....

The Washington Post news article continues on to state that after receiving the letter from Ernest J. LeFevre Senator Weicker sent a letter to the Navy's General Counsel with a cover letter that said:

The General Dynamics Corp hosted a dinner on my behalf on November 11, 1981. It was clearly a fund-raiser for my 1982 campaign. I have been advised by your office that General Dynamics charged the Navy for expenses associated with this dinner and that those were subsequently paid by the Navy. I was

further advised that a Defense Contract Audit Agency report has noted and questioned those payments. (emphasis added).2/

Pursuant to 2 U.S.C. § 441b(a), a corporation is prohibited from making a contribution or an expenditure in connection with a federal election, and a candidate, political committee or other person is prohibited from knowingly accepting or receiving a contribution from a corporation.

As set forth at 2 U.S.C. § 441c(a) (1) a federal contractor is prohibited from directly or indirectly making any contribution of money or other things of value, or to promise expressly or impliedly to make any such contribution or expenditure to any political party, committee or candidate for public office or to any person for any political purpose or use. In addition, it is unlawful for any person knowingly to solicit any such contribution from any such person for any such purpose during any such period. 2 U.S.C. § 441c(a) (2).

The record in this matter indicates that the General Dynamics Corporation, a federal contractor, paid the costs of a November 1981 fundraising dinner for Senator Weicker and/or solicited contributions to Senator Weicker's campaign immediately subsequent to the November 1981 dinner. In view of the fact that the dinner at issue was described as a fundraiser by Senator

2/ The New London Day also reported on February 27, 1985, that "at least two people who attended the testimonial never received Veliotis' letter and did not consider the Nov. 11, 1981 dinner to be a fundraiser." According to the New London Day, Senator Weicker "said the dinner was a fundraiser for his 1982 campaign and all funds were reported in accordance with federal election laws."

Weicker himself it appears that the General Dynamics Corporation did expend funds for the purpose of influencing a federal election. It also seems that Senator Weicker was aware of General Dynamics' plan to solicit contributions on his behalf since he was apparently apprised of such activity subsequent to his arrival at the November 1981 dinner. As a corporation and a federal contractor the General Dynamics Corporation is prohibited from expending funds in connection with a federal election.

By accepting from the General Dynamics Corporation the costs of a fundraiser and/or the costs of solicitations for political contributions to his campaign, Lowell Weicker has violated 2 U.S.C. § 441b(a). Accordingly, it is the recommendation of this office that the Commission find reason to believe Senator Lowell Weicker violated 2 U.S.C. § 441b(a).

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FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20463

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