



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

9-21-87

THE FOLLOWING MATERIAL IS BEING ADDED TO THE
PUBLIC FILE OF CLOSED MUR 2012

87040654093

I LOVE AMERICA COMMITTEE 8-88

PO BOX 1778
LYNCHBURG, VA 24505

180

68-231 529
514

PAY TO THE
ORDER OF

Treasurer of US

\$ 1,000.00

One Thousand & 00/100

DOLLARS



Bank of Virginia

Lynchburg, Virginia 24502

final

Don Moran

[Signature]

⑈00000180⑈ -⑈051402314⑈ 954-0016541⑈

GCC 4059

MEMORANDUM

TO: DEBRA A. TRIMM

TO: CECILIA LIEBER

FROM: CECILIA LIEBER

FROM: DEBRA A. TRIMM

CHECK NO. 180 (A COPY OF WHICH IS ATTACHED) RELATING TO
FUR 2012 (Reilly) AND NAME I Love America Cmte.

WAS RECEIVED ON 7/31/87. PLEASE INDICATE THE ACCOUNT INTO
WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT { 95F3875.16 }
/ ✓ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }
/ / OTHER _____

SIGNATURE Debra A. Trimm

DATE 8/4/87

GCC 4059

LAW OFFICES
WEBSTER, CHAMBERLAIN, BEAN & McKEVITT
1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20006
(202) 785-9500

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
J. COLEMAN BEAN
JAMES D. McKEVITT
ARTHUR L. HEROLD
ALAN P. DYE
BURKETT VAN KIRK
C. MICHAEL DEESE
FRANK M. NORTHAM
GERARD P. PANARO
JOHN W. HAZARD, JR.
CHARLES M. WATKINS
ROBERT M. SHELTON
HUGH K. WEBSTER

July 31, 1987

87 JUL 31 AM 1:00

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

BY HAND

Patty Reilly, Esq.
Office of the General Counsel
Federal Election Commission
Sixth Floor
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2012

Dear Ms. Reilly:

Enclosed please find the respondent's final partial
civil penalty payment in the amount of one thousand dollars
(\$ 1,000.00) in the above-referenced matter.

Thank you very much for your assistance.

Very truly yours,



C. Michael Deese

Enclosure

CMD:tlc

87040554095

433 219

LAW OFFICES

WEBSTER, CHAMBERLAIN, BEAN & McKEVITT

1747 PENNSYLVANIA AVENUE, N. W.

WASHINGTON, D. C. 20006

370405100

BY HAND

Patty Reilly, Esq.
Office of the General Counsel
Federal Election Commission
Sixth Floor
999 E Street, N.W.
Washington, D.C. 20463



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 10, 1987

C. Michael Deese, Esquire
Webster, Chamberlain, Bean & McKeivitt
1714 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

RE: MUR 2012

Dear Mr. Deese:

On April 7, 1987, the Commission accepted your proposed payment schedule for the \$6,000 civil penalty in MUR 2012. Accordingly, your initial \$2,000 payment has been deducted from the total due, and your four subsequent payments are due on the first of each month commencing on May 1, 1987 and ending on August 1, 1987.

If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

87040554097

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

I Love America Committee and)
Granville Graham as treasurer)

MURs 2012 and 2264

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 7, 1987, the Commission decided by a vote of 6-0 to take the following actions in MURs 2012 and 2264:

1. Approve the payment schedule requested by Respondents, I Love America Committee and Granville Graham, as treasurer, for the civil penalty in MUR 2012, as recommended in the General Counsel's Report signed April 2, 1987.
2. Approve the letter, as recommended in the General Counsel's Report signed April 2, 1987.

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

Attest:



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

Received in the Office of Commission Secretary:	Thurs.,	4-2-87,	4:40
Circulated on 48 hour tally basis:	Fri.,	4-3-87,	12:00
Deadline for vote:	Tues.,	4-7-87,	4:00

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

I Love America Committee and)
Granville Graham as treasurer)

MURs 2012 and 2264
(closed cases)

GENERAL COUNSEL'S REPORT

On January 29, 1987, the Commission approved a conciliation agreement in MUR 2012 with the I Love America Committee and Granville Graham, as treasurer, ("Respondents") in settlement of a violation of 2 U.S.C. § 441b(a). This agreement required Respondents to pay a \$6,000 civil penalty. Additionally, on March 5, 1987, the Commission approved a conciliation agreement in MUR 2264 signed by Respondents in settlement of violations of 2 U.S.C. § 434(a)(4)(A)(i) and (iv). This latter agreement required Respondents to pay a \$1,100 civil penalty.

Respondents' counsel has now stated that his clients are unable to immediately pay the total \$7,100 in civil penalties. Rather, Respondents request that they be permitted to pay the civil penalty in MUR 2012 in installments, beginning with an initial \$2,000 payment, and the remainder in four monthly \$1,000 payments beginning on May 1, 1987. A check for the initial \$2,000 payment has been forwarded to the Commission. Respondents state that this additional time will enable them to conduct fundraising activity to increase their cash on hand. Moreover, Respondents have assured this Office that the \$1,100 payment will be timely paid in MUR 2264.

The Office of the General Counsel recommends that the Commission approve the requested civil penalty payment schedule in MUR 2012. Respondents have previously brought their limited

87040554099

27 APR 2 1987
p4:40

RECEIVED
OFFICE OF THE
COMMISSIONER
FEDERAL ELECTION COMMISSION

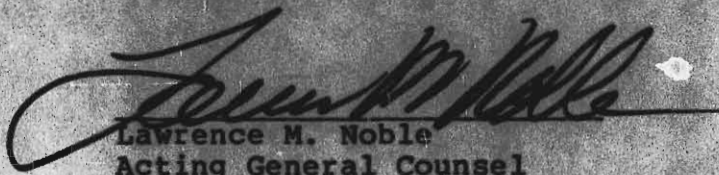
cash on hand figure to the Commission's attention in the context of conciliation negotiations in MUR 2264. Additionally, Respondents have demonstrated an eagerness to close the file in this matter. Therefore, this Office recommends that the Commission approve the previously noted payment schedule in this matter.

RECOMMENDATIONS

1. Approve the payment schedule requested by Respondents, I Love America Committee and Granville Graham, as treasurer, for the civil penalty in MUR 2012.
2. Approve the attached letter.

Date

4/2/87


Lawrence M. Noble
Acting General Counsel

Attachments

Request for Payment Schedule
Check in Partial Payment
Proposed Letter

87040554100

CC# 2907

LAW OFFICES
WEBSTER, CHAMBERLAIN, BEAN & McKEVITT
1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20006
(202) 785-9500

March 13, 1987

GEORGE S. WEBSTER
CHARLES E. CHAMBERLAIN
J. COLEMAN BEAN
JAMES D. McKEVITT
ARTHUR L. HEROLD
ALAN P. DYE
BURRETT VAN KIRK
C. MICHAEL DEESE
FRANK H. NORTMAN
GERARD P. RANARD
JOHN W. HAZARD, JR.
CHARLES H. WATKINS
ROBERT H. SKELTON
HUGH H. WEBSTER

BY HAND

Patty Reilly, Esq.
Office of the General Counsel
Federal Election Commission
Sixth Floor
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2012
MUR 2264

Dear Ms. Reilly:

As I have indicated to you in our several recent telephone conversations regarding the above-referenced matters, respondent I Love America Committee ("ILAC") is not currently in a position to pay the full amount of the civil penalties in both matters.

Since I understand that the Commission has now approved the Conciliation Agreement submitted by ILAC in MUR 2264, ILAC is obligated to pay civil penalties totalling \$7,100.00. We would propose that those penalties be paid as follows:

1. The full \$1,100.00 civil penalty in MUR 2264 will be paid within thirty (30) days of the date on which the Commission approved the Conciliation Agreement.
2. An initial \$2,000.00 payment on the MUR 2012 civil penalty of \$6,000.00 is enclosed herewith.
3. ILAC would pay the remaining \$4,000.00 of the MUR 2012 penalty at a rate of \$1,000.00 per month, with the first such payment being due on May 1, 1987, and the final payment being due on August 1, 1987.

ATTACHMENT #1(1)

WEBSTER, CHAMBERLAIN, BEAN & McKEVITT

Patty Reilly, Esq.
March 13, 1987
Page Three

We hope that the Commission will be understanding of ILAC's present financial condition and will, accordingly, approve the foregoing request for a payment schedule. ILAC recognizes its obligations under the conciliation agreements and intends to undertake a fundraising effort within the next several weeks which should place it in a position to meet the schedule referenced above.

ILAC appreciates your cooperation and assistance in this matter.

Very truly yours,



C. Michael Deese

Enclosure

CMD:tlc

Reilly

CCC# 2407

I LOVE AMERICA COMMITTEE 6-88
PO BOX 1776
LYNCHBURG, VA 24505

150

Mar 12 19 87

68-231 529
514

PAY TO THE
ORDER OF

Treasurer of USA

\$ 2,100.00

Two thousand dollars + 70/100

DOLLARS



Bank of Virginia
Lynchburg, Virginia 24502

Don Moran

partial payment / sale of Bibles

00000100 00514023140 95400165410

7

CCC# 2407

MEMORANDUM

TO: Debra A. Reed ^{Trimble} TO: Cecilia Lickor
FROM: Cecilia Lickor ^{Trimble} FROM: Debra A. Reed

CHECK NO. 150 (a copy of which is attached) RELATING
TO MUR 2012 AND NAME The I Love America Committee
WAS RECEIVED ON 3/16/87 AND GRANVILLE GRAHAM AS TREASURER
WHICH IT SHOULD BE DEPOSITED: PLEASE INDICATE THE ACCOUNT INTO

- 1/1 BUDGET CLEARING ACCOUNT (#95F3875416)
- 1/1 CIVIL PENALTIES ACCOUNT (#95-1099.160)
- 1/1 OTHER

SIGNATURE Debra A. Trimble DATE 3/17/87

ATTACHMENT #2



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

C. Michael Deese, Esquire
Webster, Chamberlain, Bean & McKeivitt
1714 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

RE: MUR 2012

Dear Mr. Deese:

On , 1987, the Commission accepted your proposed payment schedule for the \$6,000 civil penalty in MUR 2012. Accordingly, your initial \$2,000 payment has been deducted from the total due, and your four subsequent payments are due on the first of each month commencing on May 1, 1987 and ending on August 1, 1987.

If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

87040654104

ATTACHMENT #3

GCC# 3294

LAW OFFICES
WEBSTER, CHAMBERLAIN, BEAN & McKEVITT
1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20006
(202) 785-9500

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
J. COLEMAN BEAN
JAMES D. McKEVITT
ARTHUR L. HEROLD
ALAN P. DYE
BURRETT VAN KIRK
C. MICHAEL DEESE
FRANK M. HORTMAN
GERARD P. PANARO
JOHN W. HAZARD, JR.
CHARLES M. WATKINS
ROBERT M. SHELTON
HUGH K. WEBSTER

May 4, 1987

87 MAY 4 P 2:40

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

BY HAND

Patty Reilly, Esq.
Office of the General Counsel
Federal Election Commission
Sixth Floor
999 E Street, N.W.
Washington, D.C. 20463

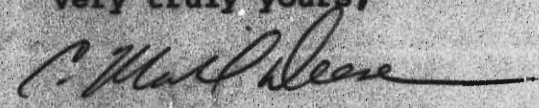
Re: MUR 2012

Dear Ms. Reilly:

Enclosed please find the respondents' partial civil penalty payment in the amount of one thousand dollars (\$1,000.00) in the above-referenced matter.

Thank you very much for your assistance.

Very truly yours,



C. Michael Deese

Enclosure

CMD:tlc

87040554105

387 458

3 7 1 1 5 1 1 7 5
LAW OFFICES
WEBSTER, CHAMBERLAIN, BEAN & McKEVITT
1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20006

11264
37 APR 31 P12:00

BY HAND

Patty Reilly, Esq.
Office of the General Counsel
Federal Election Commission
Sixth Floor
999 E Street, N.W.
Washington, D.C. 20463

CC# 3245

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

	OLD TIME GOSPEL HOUR LYNCHBURG, VIRGINIA 24514	VENDOR 9110695	CONTROL NUMBER 081385	DATE 4-23-87	CHECK NUMBER 081385
		BANK OF VIRGINIA LYNCHBURG, VA		08-23 514	
Pay Exactly *****6,000 dollars and .00 cents					NET AMOUNT *****6,000.00*****
PAY TO THE ORDER OF Federal Election Commission		 			
081385		0514033141 854-7012052			

87 APR 29

MEMORANDUM

TO: Debra A. Reed

TO: *Cecilia Lieber*

FROM: *Cecilia Lieber*

FROM: Debra A. Reed

CHECK NO. 081385 (a copy of which is attached) RELATING
TO MUR 2012 AND NAME Old Time Gospel Hr.
WAS RECEIVED ON 4-27-87. PLEASE INDICATE THE ACCOUNT INTO
WHICH IT SHOULD BE DEPOSITED:

☐ BUDGET CLEARING ACCOUNT (#95F3875.16)

☒ CIVIL PENALTIES ACCOUNT (#95-1099.160)

OTHER

SIGNATURE

Retha L. Wilson

DATE

4-29-87

CC# 3245

87 APR 29

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

8704054110
MARION EDWYN HARRISON

1000 POTOMAC STREET, N.W.

THIRD FLOOR

WASHINGTON, D.C. 20007

MARION EDWYN HARRISON
ATTORNEY AT LAW

1000 POTOMAC STREET, N.W.
WASHINGTON, D.C. 20007
(202) 965-6300

CABLE MEHLAW
TELEX 89492
FACSIMILE (202) 337-4632

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

87 APR 27 P 5: 07

Michael Allen Dymersky, Esquire
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

I LOVE AMERICA COMMITTEE 6-86
PO BOX 1776
LYNCHBURG, VA 24505

174

68-231 529
514

May 1 1987

PAY TO THE
ORDER OF

Treasurer of U.S.

\$ 1,000 ⁰⁰/₁₀₀

One thousand and ⁰⁰/₁₀₀

DOLLARS



Bank of Virginia
Lynchburg, Virginia 24502

Debra A. Reed

⑈00000174⑈ -⑈051402314⑈ 954⑈0016541⑈

GCC# 3294

MEMORANDUM

TO: Debra A. Reed *Trimiew*

TO: *Cecilia Licher*
~~Representative~~

FROM: *Cecilia Licher*
~~Representative~~

FROM: Debra A. Reed *Trimiew*

87 MAY 4

GENERAL

CHECK NO. 174 (a copy of which is attached) RELATING

TO MUR 2012 (Reilly) AND NAME I Love America Committee

WAS RECEIVED ON 5/4/87 PLEASE INDICATE THE ACCOUNT INTO

WHICH IT SHOULD BE DEPOSITED:

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

/ ✓ CIVIL PENALTIES ACCOUNT (\$95-1499.160)

/ / OTHER

SIGNATURE: *Debra A. Trimiew*

DATE 5/5/87

CCC# 3517

LAW OFFICES
WEBSTER, CHAMBERLAIN, BEAN & McKEVITT
1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20006
(202) 785-9500

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
J. COLEMAN BEAN
JAMES D. McKEVITT
ARTHUR L. HEROLD
ALAN P. DYE
BURRETT VAN RIKK
C. MICHAEL DEESE
FRANK H. NORTMAN
GERARD P. HANARD
JOHN W. HAZARD, JR.
CHARLES M. WATKINS
ROBERT H. SHELTON
HUGH R. WEBSTER

June 1, 1987

BY HAND

Patty Reilly, Esq.
Office of the General Counsel
Federal Election Commission
Sixth Floor
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2012

Dear Ms. Reilly:

Enclosed please find the respondents' partial civil
penalty payment in the amount of one thousand dollars
(\$1,000.00) in the above-referenced matter.

Thank you very much for your assistance.

Very truly yours,



C. Michael Deese

Enclosure

CMD:tlc

87040654110

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
07 JUN 2 13:06

I LOVE AMERICA COMMITTEE 8-86
PO BOX 1776
LYNCHBURG, VA 24506

176

88-231 514 829

5/29 1987

PAY TO THE
ORDER OF

Treasurer of United States

\$ 1000

One Thousand and 00/100

DOLLARS



Bank of Virginia
Lynchburg, Virginia 24502

Richard C. Gaylord
Don M. M...

⑆00000176⑆ ⑆051402314⑆ 954-0016541⑆

ACC# 3517

MEMORANDUM

TO: Debra A. Reed

TO:

Cecilia Lieber

FROM: *Cecilia Lieber*

FROM:

Debra A. Reed

97 JUN 2

REC'D
GENERAL

CHECK NO. 176 (a copy of which is attached) RELATING

TO MUR 2012 AND NAME I Love America Committee

WAS RECEIVED ON 6-2-87. PLEASE INDICATE THE ACCOUNT INTO
WHICH IT SHOULD BE DEPOSITED:

☐ BUDGET CLEARING ACCOUNT (\$95F3875.16)

☒ CIVIL PENALTIES ACCOUNT (\$95-1099.160)

☐ OTHER

SIGNATURE

Retha L. Ripon

DATE

6-3-87

LAW OFFICES

WEBSTER, CHAMBERLAIN, BEAN & McKEVITT

1747 PENNSYLVANIA AVENUE, N. W.

WASHINGTON, D. C. 20006

BY HAND

Patty Reilly, Esq.
Office of the General Counsel
Federal Election Commission
Sixth Floor
999 E Street, N.W.
Washington, D.C. 20463

3704045411

402.658

CCC#3809

I LOVE AMERICA COMMITTEE 6-86
PO BOX 1778
LYNCHBURG, VA 24508

177

68-231-529
514

6/30 1987

PAY TO THE
ORDER OF

Treasurer of U.S.

\$ 1000.00

One Thousand + 00/100

DOLLARS



Bank of Virginia
Lynchburg, Virginia 24502

Don man [Signature]

⑈00000177⑈ ⑆05⑆⑆023⑆⑆⑆ 95⑆-00⑆⑆5⑆⑆⑆⑈

MEMORANDUM

CCC#3809

TO: Debra A. Reed ^{Trimiew}

TO: ~~Cecilia Lieber~~ ^{Cecilia Lieber}

FROM: ~~Cecilia Lieber~~ ^{Cecilia Lieber}

FROM: Debra A. Reed ^{Trimiew}

87 JUL 6 PM 3:17

RECEIVED
GENERAL COUNSEL

CHECK NO. 177 (a copy of which is attached) RELATING

TO NUR 2012 (Bailey) AND NAME The Old-Time Gospel Hour, Inc.

WAS RECEIVED ON 7/6/87. PLEASE INDICATE THE ACCOUNT INTO

WHICH IT SHOULD BE DEPOSITED:

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

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

/ / OTHER

SIGNATURE Debra A. Trimiew

DATE 7/7/87

LAW OFFICES
WEBSTER, CHAMBERLAIN, BEAN & McKEVITT
1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20006
(202) 785-9500

RECEIVED AT THE FEC
HAND DELIVERED
87 JUL 1 P 4: 02

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
J. COLEMAN BEAN
JAMES D. McKEVITT
ARTHUR L. HEROLD
ALAN P. DYE
BURRETT VAN KIRK
C. MICHAEL DEESE
FRANK H. NORTHAM
GERARD P. RANARO
JOHN W. HAZARD, JR.
CHARLES M. WATKINS
ROBERT M. SKELTON
HUGH R. WEBSTER

July 1, 1987

BY HAND

Patty Reilly, Esq.
Office of the General Counsel
Federal Election Commission
Sixth Floor
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2012

Dear Ms. Reilly:

Enclosed please find the respondents' partial civil
penalty payment in the amount of one thousand dollars
(\$ 1,000.00) in the above-referenced matter.

Thank you very much for your assistance.

Very truly yours,



C. Michael Deese

Enclosure

CMD:tlc

87 JUL 6 P 3: 37
RECEIVED
OFFICE OF THE
GENERAL COUNSEL

87040654114

7 1 1 0 5 4 1 1 5
LAW OFFICES
WEBSTER, CHAMBERLAIN, BEAN & McKEVITT
1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20006

BY HAND

Patty Reilly, Esq.
Office of the General Counsel
Federal Election Commission
Sixth Floor
999 E Street, N.W.
Washington, D.C. 20463

CCC#2907

I LOVE AMERICA COMMITTEE 6-88
PO BOX 1778
LYNCHBURG, VA 24505

150

Mar 12 1987

68-231 514 529

PAY TO THE ORDER OF

Treasurer of USA

\$ 2,100.00

Two thousand dollars & 00/100

DOLLARS



Bank of Virginia
Lynchburg, Virginia 24502

Don Mon

partial payment / sale of Bibles

0000001500 0051402314 9540016541

CCC#2907

MEMORANDUM

TO: Debra A. Reed *Trimiew*

TO: Cecilia Lischer
Judy Smith

FROM: *Cecilia Lischer*
Judy Smith

FROM: Debra A. Reed *Trimiew*

CHECK NO. 150

(a copy of which is attached) RELATING

TO MUR 2012 (Railey) AND NAME The I Love America Committee
and Grenville Graham as treasurer

WAS RECEIVED ON 3/16/87 PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

- ☒ BUDGET CLEARING ACCOUNT (#95F3875416)
- ☐ CIVIL PENALTIES ACCOUNT (#95-1099.160)
- ☐ OTHER

SIGNATURE Debra A. Trimiew

DATE 3/17/87

RECEIVED
GENERAL COUNSEL

6CC#2907

LAW OFFICES
WEBSTER, CHAMBERLAIN, BEAN & McKEVITT
1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20008
(202) 785-9500

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
J. COLEMAN BEAN
JAMES D. McKEVITT
ARTHUR L. HEROLD
ALAN P. OYE
BURRETT VAN KIRK
C. MICHAEL DEESE
FRANK M. NORTHAM
GERARD P. PANARO
JOHN W. HAZARD, JR.
CHARLES H. WATKINS
ROBERT M. SKELTON
HUGH R. WEBSTER

March 13, 1987

BY HAND

Patty Reilly, Esq.
Office of the General Counsel
Federal Election Commission
Sixth Floor
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2012
MUR 2264

Dear Ms. Reilly:

As I have indicated to you in our several recent telephone conversations regarding the above-referenced matters, respondent I Love America Committee ("ILAC") is not currently in a position to pay the full amount of the civil penalties in both matters.

Since I understand that the Commission has now approved the Conciliation Agreement submitted by ILAC in MUR 2264, ILAC is obligated to pay civil penalties totalling \$7,100.00. We would propose that those penalties be paid as follows:

1. The full \$1,100.00 civil penalty in MUR 2264 will be paid within thirty (30) days of the date on which the Commission approved the Conciliation Agreement.
2. An initial \$2,000.00 payment on the MUR 2012 civil penalty of \$6,000.00 is enclosed herewith.
3. ILAC would pay the remaining \$4,000.00 of the MUR 2012 penalty at a rate of \$1,000.00 per month, with the first such payment being due on May 1, 1987, and the final payment being due on August 1, 1987.

87040654117

Patty Reilly, Esq.
March 13, 1987
Page Three

We hope that the Commission will be understanding of ILAC's present financial condition and will, accordingly, approve the foregoing request for a payment schedule. ILAC recognizes its obligations under the conciliation agreements and intends to undertake a fundraising effort within the next several weeks which should place it in a position to meet the schedule referenced above.

ILAC appreciates your cooperation and assistance in this matter.

Very truly yours,



C. Michael Deese

Enclosure

CMD:tlc

87040654118

3794065414
LAW OFFICES
WEBSTER, CHAMBERLAIN, BEAN & McKEVITT
1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20006

CITIZEN
GENERAL COUNSEL

87 MAR 13 AIO: 40

BY HAND

Patty Reilly, Esq.
Office of the General Counsel
Federal Election Commission
Sixth Floor
999 E Street, N.W.
Washington, D.C. 20463

RECEIVED AT THE FEC
GCE#2944

87 MAR 23 09:27
Wm 2012

LAW OFFICES
MARION EDWYN HARRISON
1000 POTOMAC STREET, N.W.
THIRD FLOOR
WASHINGTON, D.C. 20007
(202) 965-6300
CABLE MEHLAW
TELEX 89492
FACSIMILE (202) 337-4632

JOHN S. BAKER, JR.
MARION EDWYN HARRISON
DANIEL M. REDMOND

FALKENSTRASSE 14
8008 ZURICH, SWITZERLAND
TELEX (845) 815878 PVP CH

Wm 18 87

8 7 0 4 0 5 4 1 2 0
From:
Your language is
understood.

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
87 MAR 23 10:48

-Wm

Wm. N. Hine

STRATHMORE WRITING

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

THE OLD-TIME GOSPEL HOUR, INC.

MUR #2012

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that the Old-Time Gospel Hour, Inc. ("Respondent") violated 2 USC §441b(a) by making a prohibited corporate contribution.

NOW THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 USC §437g(a)(4)(A)(i) do hereby agree as follows:

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I.

The Commission has jurisdiction over Respondent and the subject matter of this proceeding.

II.

Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III.

Respondent enters voluntarily into this Agreement with the Commission.

IV.

1. Respondent is a corporation doing business in the State of Virginia, which provides mailshop and printing services.

2. The I Love America Committee ("Committee") is a multi-candidate political committee registered with the Commission.

3. In December 1983 the Committee purchased from Thomas Nelson Publishers 25,740 Family Bibles, 701PE, at a unit cost of \$7.45 per Bible, to be used in its fundraising efforts.

4. After it became apparent that (1) the Committee did not require immediate use of the full 25,740 Bibles so purchased; (2) the Committee had need of further goods and services of the kind the Committee from time to time purchased from Respondent; and (3) Respondent urgently needed a supply of Bibles, the Committee exchanged approximately 8,500 Bibles for \$90,000.00 worth of goods and services provided by Respondent. Respondent thereby paid the equivalent of a unit cost per Bible of approximately \$10.57. Based upon February 1984 printing and binding costs, for a total of 8,500 said Bibles, the price would have exceeded \$102,000.00, or more than \$12.00 per Bible, if purchased from Thomas Nelson Publishers.

V.

1. Pursuant to USC §431(8)(A) a contribution is defined to include anything of value.

2. Pursuant to 2 USC §441b(a) it is unlawful for a corporation to make a contribution in connection with a federal election.

3. The Commission finds that Respondent's provision of goods and services valued at \$90,000.00 in exchange for Bibles which the Committee initially purchased for approximately \$62,000.00 (approximately \$7.45 per Bible) constitutes a corporate contribution, in violation of 2 USC §441b(a), inasmuch as the Bibles when so exchanged constituted fundraising material of the Committee.

4. The Commission makes no finding as to the fair market value of the Bibles when the exchange occurred.

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5. Respondent contends that Respondent's said provision of goods and services does not constitute a violation of 2 USC §441b(a) because the applicable frame of reference is \$102,000.00, which is the fair market value of, and the price Respondent would have been required to pay for, said Bibles.

6. Respondent agrees that Respondent has made a corporate contribution if the fact that the Bibles when so exchanged were Committee fundraising material is determinative.

VI.

For the purpose of administrative settlement, Respondent pays herewith a civil penalty to the Treasurer of the United States in the amount of \$3,000.00 pursuant to 2 USC §437g(a)-(5)(A).

VII.

The Commission, upon request of anyone filing a complaint under 2 USC §437g(a)(1) concerning the matters at issue herein

or upon its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, the Commission may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII.

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

IX.

This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein. No other statement, promise or agreement, written or oral, made by either party or by agents of either party, which is not contained in this Agreement shall be valid.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

By:

Lawrence M. Noble
Deputy General Counsel

Date

FOR THE RESPONDENT:

By:

Marion Edwyn Harrison
Counsel for Respondent

Date

87040654127

MARION EDWYN HARRISON

1000 POTOMAC STREET, N.W.

THIRD FLOOR

WASHINGTON, D.C. 20007



Ivan Rivera, Esquire
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

MAR 23 9:27

3 7 1 4 0 5 4 1 2



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3012

DATE FILMED 9/30/97 CAMERA NO. 2

CAMERAMAN AS

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PUBLIC RECORD INDEX - MUR 2012

1. Reports Analysis Division (RAD) Referral, 5 Apr 85, re: I Love America Committee (ILAC) and Granville Graham, Treasurer, and the Old Time Gospel Hour, Inc.
2. First General Counsel's Rpt, 17 May 85.
3. Certification of Commission Vote, dtd 23 May 85.
4. Ltr, 5 June 85, J.W. McGarry (Chairman, FEC) to Granville Graham, w/encl (Order to Submit Written Answers).
5. Ltr, 5 Jun 85, J.W. McGarry to Old Time Gospel Hour, Inc. (OTGH), w.encl (Order to Submit Written Answers).
6. Ltr, 25 June 85, Marion Edwyn Harrison (Counsel to OTGH) to FEC.
7. Ltr, 14 June 85, C.M. Deese (Counsel to ILAC) and G. Graham) to FEC.
8. Ltr, 18 June 85, Kenneth A. Gross (Assoc Gen Coun., FEC) to C.M. Deese.
9. Ltr, 3 July 85, C.M. Deese to FEC, w/encl: Respondents' answers (ILAC).
10. Ltr, dtd 3 July 85, Janet Horgen for M.E. Harrison to FEC, encl: Respondents' Answers (OTGH).
11. General Counsel's Report, dtd 22 July 85.
12. Memo, dtd 22 July 85, OGC to OCS.
13. Certification of Commission action, dtd 30 July 85.
14. Ltr, dtd 29 July 85, C.M. Deese to FEC.
15. Ltr, Order, Questions, dtd 15 Aug 85, K.A. Gross to C.M. Deese (ILAC).
16. Ltr, Order, Questions, dtd 15 Aug 85, K.A. Gross to M.E. Harrison (OTGH).
17. Ltr, dtd 19 Aug 85, J. Horgen to FEC.
18. Ltr, dtd 19 Aug 85, C.M. Deese to FEC.
19. Ltrs, 23 Aug 85, K.A. Gross to a) C.M. Deese; b) M.E. Harrison, encl.

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20. Ltr, dtd 28 Aug 85, J. Horgen to FEC.
21. Ltr, dtd 6 Sept 85, K.A. Gross to M.E. Harrison.
22. Ltr, dtd 23 Sept 85, Alan P. Dye to FEC, w/attach: Respondents' Answers (ILAC).
23. Ltr, dtd 26 Sept 85, M.E. Harrison to FEC, attach: Respondents's Answers (OTGH).
24. General Counsel's Report, dtd 24 Jan 86.
25. Ltr, 5 Mar 86, C.N. Steele to M.E. Harrison, w/encl: G.C. Brief.
26. Ltr, dtd 5 Mar 86, C.N. Steele to C.M. Deese, w/encl: G.C. Brief.
27. Memo, 6 Mar 86, C.N. Steele to The Commission.
28. Ltr, 11 Mar 86, C.M. Deese to FEC.
29. Ltr, 12 Mar 86, K.A. Gross to C.M. Deese.
30. Response of OTGH, dtd 31 Mar 86.
31. Ltr, dtd 10 Apr 86, C.M. Deese to FEC, encl: Response of ILAC and G. Graham.
32. General Counsel's Report, 25 June 86.
33. Certification of Commission action, dtd 10 July 86.
34. Memo, 14 July 86, L.M. Noble to the Commission, subject: late submissions, w/attach.
35. Certification of Commission action, dtd 16 July 86.
36. Ltrs, dtd 18 July 86, C.N. Steele to a) C.M. Deese; and b) M.E. Harrison.
37. General Counsel's Report, dtd 12 Jan 87.
38. Certification of Commission action, 30 Jan 87.
39. Ltr, dtd 4 Feb 87, L.M. Noble to C.M. Deese, Conciliation agreement enclosed.
40. Ltr, dtd 5 Feb 87, C.N. Steele to M.E. Harrison.

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41. Memo, dtd 28 Apr 87, L.M. Noble to the Commission, subject: General Counsel's Report signed 24 Apr 87.
42. General Counsel's Report, dtd 24 Apr 87.
43. Certification of Commission action, dtd 28 Apr 87.
44. Closing ltr, 4 May 87, L.M. Noble to C.M. Deese.
45. Closing ltr, 4 May 87, L.M. Noble to M.E. Harrison, w/encl (executed conciliation agreement).

- END -

Note: In preparing its file for the public record, O.G.C. routinely removes those documents in which it perceives little or no public interest, and those documents, or portions thereof, which are exempt from disclosure under the Freedom of Information Act.

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REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 5 April 1985

ANALYST: Mike Tangney

I. COMMITTEE: I Love America Committee
(C00168484)
Granville Graham, Treasurer
P.O. Box 1776
Lynchburg, VA 24505

II. RELEVANT STATUTE: 2 U.S.C. §441b(a)
11 CFR 114.2(b)

III. BACKGROUND:

Receipt of a Prohibited Contribution

Schedule D (Debts and Obligations) of the 1984 October Quarterly Report filed by the I Love America Committee ("ILAC") disclosed a receipt of \$90,000 from the Old Time Gospel Hour, Inc. for the purchase of Bibles (Attachment 2). On January 9, 1985, a Request for Additional Information ("RFAI") was sent to ILAC concerning the receipt of corporate funds. In addition, the RFAI asked that a Schedule A be provided to support the receipt of \$90,000 on Line 17 of the Detailed Summary Page (Attachment 3).

On January 24, 1985, the Commission received a response from ILAC which stated that the "\$90,000 received from the Old-Time Gospel Hour, Inc. was not a contribution, but a payment for the purchase of 7,500 Bibles" (Attachment 4). In addition, ILAC provided a Schedule A supporting Line 17 which disclosed the receipt of \$90,000 from the Old Time Gospel Hour, Inc. on July 1, 1984.

A Second Notice was sent to the ILAC on January 31, 1985, which questioned the intended use of the Bibles and how they were obtained.*/ ILAC was also sent Advisory Opinions 1979-24 and 1979-76 for reference purposes (Attachment 5).

*/ The 1984 April Quarterly Report discloses a payment of \$52,818 to Royal Publishers, a.k.a., Thomas Nelson Publishers, on March 23, 1984 for the purchase of Bibles.

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The Commission received ILAC's response to the Second Notice on February 15, 1985 (Attachment 6). Although ILAC does not believe that the receipt of \$90,000 from the Old Time Gospel Hour can be characterized as a contribution, it is willing to return the entire amount at the earliest possible date.

As noted in the response, Mr. Granville Graham, ILAC's treasurer, was not aware of the existence of any advisory opinions concerning the transaction in question. Therefore, "... any violation which the Commission may consider to have taken place was certainly inadvertent."

ILAC plans to raise funds to repay the full amount to the Old Time Gospel Hour by August 15, 1985. Based upon the available funds on hand, ILAC made a partial payment of \$10,000 on February 14, 1985.

IV. OTHER PENDING MATTERS INITIATED BY RAD:

There are no outstanding RFAI's or other matters requiring referral.

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Attachment 1

COMMITTEE INDEX OF DISCLOSURE DOCUMENTS

PAGE 1

NON-PARTY RELATED

COMMITTEE	DOCUMENT	FIGURE	IF DISCLOSURE	TYPE OF FILER	DATE	MICROFILM
				OVERALL DATE	Page	DATE
1. LOCAL RESISTANCE COMMITTEE						
CONNECTED ORGANIZATION: NONE						
1983	STATEMENT OF ORGANIZATION					
	YEAR-END	143,607	124,114	12JUL84	1	12JUL84/275-1246
	YEAR-END - AMENDMENT	143,607	125,934	11JUL84	26	11JUL84/289-4061
	REQUEST FOR ADDITIONAL INFORMATION			11JUL84	4	11JUL84/277-1791
1984	MISCELLANEOUS REPORT			11JUL84	3	11JUL84/289-4061
	APRIL QUARTERLY	167,276	127,122	11JUL84	1	11JUL84/289-4061
	APRIL QUARTERLY - AMENDMENT			11JUL84	16	11JUL84/289-4061
	REQUEST FOR ADDITIONAL INFORMATION			11JUL84	2	11JUL84/289-4061
	REQUEST FOR ADDITIONAL INFORMATION 2ND			11JUL84	1	11JUL84/289-4061
	JULY QUARTERLY	178,688	207,227	11JUL84	2	11JUL84/289-4061
	JULY QUARTERLY - AMENDMENT	178,688	207,227	11JUL84	24	11JUL84/289-4061
	JULY QUARTERLY - AMENDMENT	178,688	207,227	11JUL84	6	11JUL84/289-4061
	REQUEST FOR ADDITIONAL INFORMATION			11JUL84	8	11JUL84/289-4061
	OCTOBER QUARTERLY	184,406	171,131	11JUL84	1	11JUL84/289-4061
	OCTOBER QUARTERLY - AMENDMENT			11JUL84	26	11JUL84/289-4061
	REQUEST FOR ADDITIONAL INFORMATION			11JUL84	2	11JUL84/289-4061
	REQUEST FOR ADDITIONAL INFORMATION 2ND			11JUL84	3	11JUL84/289-4061
	PRE-GENERAL	28,189	21,266	11JUL84	4	11JUL84/289-4061
	REQUEST FOR ADDITIONAL INFORMATION			11JUL84	26	11JUL84/289-4061
	POST-GENERAL	41,825	63,365	11JUL84	2	11JUL84/289-4061
	POST-GENERAL - AMENDMENT	39,809	61,549	11JUL84	24	11JUL84/289-4061
	POST-GENERAL - AMENDMENT			11JUL84	10	11JUL84/289-4061
	REQUEST FOR ADDITIONAL INFORMATION			11JUL84	2	11JUL84/289-4061
	YEAR-END	21,540	31,292	11JUL84	1	11JUL84/289-4061
	TOTAL	765,595	0 758,471	0	240	TOTAL PAGES

Ending Cash on hand as of 12/31/84 \$7,124

Debts and obligations owed by the committee \$51,955***

All reports have been reviewed

*** Note: there is an additional \$80,000 owed to Old Time Gospel Hour in 1985
(See Attachment #6)

7 9 2 7 5 4 0 4 0 7 8

Name of Committee (in Full)	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
I Love America Committee				
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor Old-Time Gospel Hour, Inc. Langhorne Plaza Lynchburg, VA 24514 <i>INCORPORATED 10/16/67</i>	90,000.00		90,000.00	
Nature of Debt (Purpose): Purchase of Bibles				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
1) SUBTOTAL (This Period This Page (optional)				
2) TOTAL This Period (last page this line only)				
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only)				
4) ADD 2) and 3) and carry forward in appropriate line of Summary Page (last page only)				-0-

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Granville Y. Graham, Treasurer
I Love America Committee
P.O. Box 1776
Lynchburg, VA 24505

JAN 9 1985

Identification Number: C00168484

Reference: October Quarterly Report (7/1/84-9/30/84)

Dear Mr. Graham:

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

-Your report discloses an apparent contribution(s) from a corporation(s) (pertinent portion attached). You are advised that a contribution from a corporation is prohibited by the Act, unless made from a separate segregated fund established by the corporation. (2 U.S.C. §441b(a)) If you have received a corporate contribution(s), the Commission recommends that you refund the full amount to the donor(s) or transfer the funds to a non-Federal account. Please inform the Commission immediately in writing and provide a photocopy of your check for the refund or transfer-out. In addition, the disbursement should be disclosed on a supporting Schedule B for Line 26 or 27 of your next report.

If the contribution(s) in question was incorrectly reported and/or you have additional information, you may wish to submit documentation for the public record.

Although the Commission may take further legal steps concerning the acceptance of a prohibited contribution, prompt action by your committee to refund or transfer-out the amount will be taken into consideration.

-The identification of each contributor, including the person's occupation and name of employer, must be provided if the person has contributed in excess of \$200 in the aggregate during the calendar year. Please amend Schedule A supporting Line 11a for each entry lacking a contributor's occupation and name of employer.

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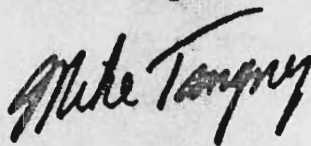
Note: If your committee has made at least one effort per solicitation, either by a written request or by an oral request documented in writing to obtain this information from the contributor, your committee may have exercised "best efforts." If you believe that your committee satisfies the "best efforts" provision, you should provide a copy of your solicitation or an explanation of the method(s) used to obtain contribution information. 11 CFR 104.3(a)(4)(i) and 104.7.

-Schedule B for Line 21 discloses in-kind contributions made on behalf of Federal candidates. A payment is reported to the payee for these costs and the contribution to each candidate is reported as a "Memo In-Kind". However, all of these figures are included in the total for Line 21. Please amend your report to correct this discrepancy.

-Line 17 discloses the receipt of \$90,000. If this figure includes any receipts from a single source which aggregates greater than \$200 in the calendar year, please amend your report by itemizing the receipt on Schedule A.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,



Mike Tangney
Reports Analyst
Reports Analysis Division

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I LOVE AMERICA COMMITTEE

5 JAN 24 1985

P.O. BOX 1776 • LYNCHBURG, VIRGINIA 24503

January 14, 1985

Mr. Mike Tangney
Reports Analysis Division
Federal Election Committee
Washington, D. C. 20463

RE: C00168484, Correspondence of 1-9-85

Dear Mr. Tangney:

You have raised certain questions regarding our October quarterly and 12-day pre-general reports. This letter will attempt to clarify the data in question.

- The \$90,000 received from Old-Time Gospel Hour, Inc. was not a contribution, but a payment for the purchase of 7,500 Bibles. Attached is a copy of a statement from the vendor.
- The October report has been amended to include a Schedule A entry for receipt of the \$90,000.
- I Love America Committee requests contributors' occupation information in each solicitation, and therefore, we believe we have exercised "best efforts" to obtain required information. We are enclosing a sample reply card.
- You indicate that the total for the October Schedule B for line 21 includes the memo in-kind amounts. Enclosed is a copy of an adding machine tape verifying the original calculation.
- You also indicate that in-kind contributions were not subtracted from line 19 or added to line 21 of the 12-day report. These contributions were entered as credits on Schedule B for line 19 and were subtracted from normal operating expenditures, as suggested on page J3 of the Campaign Guide. Similarly, they were added to Schedule B for line 21 and are included in the total for line 21.

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Mr. Mike Tappay
Page Two
January 14, 1985

Please let me know if you have further questions.

Sincerely,


Granville V. Craig
Treasurer

GYG/eam

Attachments

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(Summary Page)

E5 JAN 24

FEC FORM 3X (3/80)

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SCHEDULE A

ITD REC TS

Any information copied from another form is not to be used by any person for the purpose of soliciting contributions or for political activities to solicit contributions from such contributors.

Name of Contributor (in Full)

1. Love America Committee

A. Full Name, Mailing Address and ZIP Code

Old-Time Gospel Hour, Inc.
Langhorne Plaza
Lynchburg, VA 24514

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

Name of Employer: Purchase of Bibles

Date (month, day, year): 7-1-84

Amount of Each Receipt This Period: 90,000

B. Full Name, Mailing Address and ZIP Code

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

Name of Employer:

Occupation:

Aggregate Year-to-Date: \$

C. Full Name, Mailing Address and ZIP Code

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

Name of Employer:

Occupation:

Aggregate Year-to-Date: \$

D. Full Name, Mailing Address and ZIP Code

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

Name of Employer:

Occupation:

Aggregate Year-to-Date: \$

E. Full Name, Mailing Address and ZIP Code

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

Name of Employer:

Occupation:

Aggregate Year-to-Date: \$

F. Full Name, Mailing Address and ZIP Code

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

Name of Employer:

Occupation:

Aggregate Year-to-Date: \$

G. Full Name, Mailing Address and ZIP Code

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

Name of Employer:

Occupation:

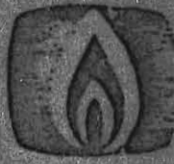
Aggregate Year-to-Date: \$

SUBTOTAL of Receipts This Page

TOTAL This Period (last page this number only)

90,000

87040554374
3503312265



JERRY FALWELL

& THE OLD-TIME GOSPEL HOUR
LYNCHBURG, VIRGINIA 24504

STATEMENT

I Love America Committee
PO Box 1776
Lynchburg, VA 24505

Attention: Granville Graham

Purchase of Bibles	\$(90,000.00)	
Postage		\$53,750.00
List Rental		27,222.31
Mail Shop		24,928.89

Balance as of June 30, 1984		\$15,901.20

Invoice
#100

Don Moon, Accountant, OTGH

cbh

cc DeWitt Braud
Rick Huff

8 7 0 4 0 5 4 3 7 6

8 5 0 3 3 5 1 2 2 6 7

I LOVE AMERICA COMMITTEE—REPLY FORM

☐ YES JERRY! I want to help you elect responsible representatives during 1984!

Enclosed is my gift of:

☐ \$500 ☐ \$100 ☐ \$50 ☐ \$25 ☐ \$ _____

OTHER _____

(Corporate Contributions prohibited by law)

Federal Election law requires that we ask the following information:

address of residence
(if different) _____

occupation _____

employer _____

For any contribution you make to ILAC you can claim a 50% tax credit contribution up to \$200 on a joint return and up to \$100 on an individual return.

Thank You! Please Make Your Checks Payable To The I Love America Committee

P.O. Box 1778 Lynchburg, VA 24502



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-3

January 31, 1985

Granville Y. Graham, Treasurer
I Love America Committee
P.O. Box 1776
Lynchburg, VA 24505

Identification Number: C00168484

Reference: October Quarterly Report (7/1/84-9/30/84)

Dear Mr. Graham:

On January 9, 1985 you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

Your January 24, 1985 response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

-You have indicated that your committee received \$90,000 in payments from Old-Time Gospel Hour, Inc. for the purchase of 7,500 Bibles. Please provide the intended use of these Bibles and how these Bibles were obtained (e.g. the payments made).

If the Bibles were intended to be used to raise funds for your committee, then the full purchase price would appear to be a prohibited contribution. (See AO 1979-76 attached.)

If the Bibles were not intended for fundraising purposes, then the purchase price would have to be at the "usual and normal charge" in order for there to be no apparent prohibited contribution. (See AO 1979-24 attached.)

-Your report discloses an apparent contribution(s) from a corporation(s) (pertinent portion attached). You are advised that a contribution from a corporation is prohibited by the Act, unless made from a separate segregated fund established by the corporation. (2 U.S.C. §441b(a)) If you have received a corporate contribution(s), the Commission recommends that you

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refund the full amount to the donor(s) or transfer the funds to a non-Federal account. Please inform the Commission immediately in writing and provide a photocopy of your check for the refund or transfer-out. In addition, the disbursement should be disclosed on a supporting Schedule B for Line 26 or 27 of your next report.

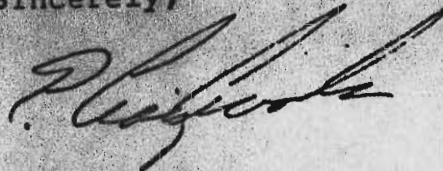
If the contribution(s) in question was incorrectly reported and/or you have additional information, you may wish to submit documentation for the public record.

Although the Commission may take further legal steps concerning the acceptance of a prohibited contribution, prompt action by your committee to refund or transfer-out the amount will be taken into consideration.

If this information is not received by the Commission within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Mike Tangney on our toll-free number (800) 424-9530 or our local number (202) 523-4048.

Sincerely,



John D. Gibson
Assistant Staff Director
Reports Analysis Division

87040654378



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 22, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1979-76

Mr. Richard B. Dingman
Treasurer
RSC Campaign Fund
P.O. Box 448
Vienna, Virginia 22180

Dear Mr. Dingman:

This responds to your letter of December 4, 1979, requesting an advisory opinion on behalf of the RSC Campaign Fund, a political committee ("the Committee"), regarding application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to the sale of books by the Committee to corporations.

Your letter poses a situation where the Committee publishes a book which it intends to sell to individuals at a profit. You contemplate a time when disposal and cost recovery may be more important than profit. Thus you ask if there are any circumstances under which the Committee could accept payment for book sales via a corporate check. Specifically you ask whether selling the books at cost or below cost would make a difference regarding corporate purchase.

The Commission is of the opinion that regardless of the price the Committee could not, under the circumstances you describe, sell books to a corporate purchaser. As you appear to be aware, under the Act and regulations a corporation is prohibited from making a contribution to a political committee. See 2 U.S.C. §441b and 11 CFR 114.2(b). Section 441b(b)(2) defines a "contribution" to mean, in part, "any payment, ... or gift of money or anything of value..." to a campaign committee, or a political party or organization, in connection with any Federal election. Your request indicates that the publication and sale of the book is intended to be a profit making device for the Committee. It is a means of fundraising, the books being the fundraising item. The Commission has previously concluded that the full amount

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AO 1979-76

Page 2

paid by a purchaser to a political committee or candidate for a fundraising item is a contribution, see Advisory Opinion 1975-15 (copy enclosed). Moreover, the Commission recognized that the contributor's receipt of something of value in exchange for a political contribution did not change the character of the activity from a political contribution into a commercial sale/purchase transaction. Advisory Opinion 1979-17 (copy enclosed) citing AO 1975-15. Thus the total price paid by the buyer is a contribution.

Your request suggests that if the amount paid by the corporation is either below or equal to cost, a contribution would not result. As the Commission stated in AO 1975-15 when discussing a fundraising activity, "[A]s a general matter, a person who transmits money to a political committee or candidate - any portion of which is available to be spent for the purpose of influencing a Federal election - has made a contribution in the full amount of the funds so transmitted." This encompasses both cost and profit. This principle applies regardless of the item's value and whether or not a profit is actually realized. If, when cost recovery or loss reduction is more important than profit, the Committee desires to sell the books at cost or below, the amount of the payment by the purchaser still results in a contribution to the Committee since the Committee is receiving funds that will be available for its political purposes.

You further suggest that if no profit is realized the situation is similar to the disposal of assets such as desks. The Commission is of the opinion that this is not the case. In prior opinions the Commission permitted excess campaign assets and contributor lists to be sold without contributions resulting from such sales. Advisory Opinions 1979-24 and 1979-18 (copy enclosed). In those situations the items sold were either campaign equipment which was originally purchased for and used during the campaign by the campaign committee and then sold with the proceeds applied to satisfy its debts so the committee could terminate; or an asset the value of which was developed by the committee in the normal course of its operations and primarily for its own use rather than to sell to others. Neither situation involved the sale of items which were specifically acquired or developed for general fundraising purposes such as the sale of books as described in your request.

87040354380

AO 1979-76
Page 3

This response constitutes an advisory opinion concerning the application of a general rule of law stated in the Act, or prescribed as a Commission regulation, to the specific factual situation set forth in your request. See 2 U.S.C. §437f.

Sincerely yours,

Robert O. Tiernan

Robert O. Tiernan
Chairman for the
Federal Election Commission

Enclosures (AO 1975-15, AO 1979-17, AO 1979-18, AO 1979-24)

87040654381



FEDERAL ELECTION COMMISSION

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

July 13, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1979-24

Mr. Ronald Hein
2824 Seabrook
Topeka, Kansas 66614

Dear Mr. Hein:

This responds to your letter of May 10 as supplemented by your letter of June 1, 1979, requesting an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to the sale of certain goods remaining from your Congressional primary campaign to a state-registered political action committee or to your state senate campaign.

Your letter states that you were a candidate in a 1978 Congressional primary and due to outstanding campaign debts^{*/} still have "an open campaign committee" required to report under the Act. You also served in the Kansas State Senate while pursuing your Congressional campaign, and you still have an active state campaign committee. You state that under Kansas law both your state senate committee and state registered political action committees may receive corporate contributions.

You explain that during your Congressional campaign the Congressional campaign committee purchased several thousand dollars worth of yard stakes and materials for use in the campaign; the committee still has on hand over \$500 worth of yard sign stakes. The Committee also owns a few items of equipment such as a typewriter and "print powder." Neither the stakes nor equipment have any identifying logo which would limit their useability by any person. Your committee would now like to sell these things for their fair market

^{*/}According to the April 10 Quarterly report for 1979 filed by the Ron Hein for Congress Committee, the Committee has outstanding debts and obligations in the amount of \$54,594.81.

AO 1979-24
Page 2

value. Thus, you ask the following questions:

1. Would it be legal under the federal election laws for a state-registered political action committee, which does not otherwise qualify under federal regulations for contributions to a federal campaign, to purchase the yard signs and other equipment owned by the congressional campaign for their fair market value, and then, assuming the legality of a contribution pursuant to state law, to donate those same yard sign stakes to my Senate campaign?
2. If the answer to the first question is negative, would it be possible for my Senate campaign to purchase the yard sign stakes and equipment from my congressional campaign if the monies which are co-mingled in the Senate campaign include contributions otherwise prohibited by federal law?
3. If the answer to No. 2 prohibits the use of co-mingled funds in the Senate campaign for the purchase of the yard sign stakes and equipment from the congressional campaign, could such a purchase be made lawfully under the federal election law if the funds in the State Senate campaign were used to purchase the yard sign stakes and equipment on a last-in, first-out basis, assuming that the funds actually used to make the purchase came from sources which are legal contributors under the federal election law?

Section 100.4(a)(1)(iii)(A) of the Commission's regulation considers such things as goods, equipment and supplies to be "things of value." If a thing of value is provided to a candidate or political committee without charge or at a charge below the usual and normal charge for such an item, a contribution is made to the extent of the difference between the usual and normal charge for the item at the time it is given and the amount charged the candidate or political committee. "Usual and normal charge" is defined as the price of goods or services in the market from which they ordinarily would have been purchased at the time of their contribution. §100.4(a)(1)(iii)(B).

The converse situation, that is sale of a "thing of value" by a political committee can also result in a contribution received by that committee or even a contribution made

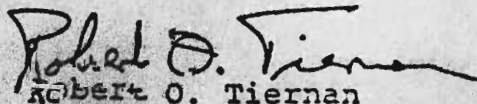
AO 1979-24
Page 3

by it to another political committee or candidate. See Advisory Opinion 1979-18, copy enclosed. In answer to your first question, sale to the state PAC of materials and equipment which were purchased for use in the congressional campaign and were still on hand at the conclusion of the campaign, could involve the receipt of a contribution by your Congressional committee from the purchasing PAC if the purchase price exceeds the usual and normal charge for those specific leftover materials in the market from which they would ordinarily be purchased. In that instance your Congressional committee would receive a prohibited contribution if the PAC had received corporate monies, since the Act prohibits direct or indirect corporate contributions to a campaign committee in connection with an election to Federal office. 2 U.S.C. §441b(b)(2). If, however, the price paid by the PAC is no greater than the usual and normal charge for those specific materials, the Commission concludes that no "contribution" would take place and that the sale would not be prohibited under the Act. The Commission offers no guidance as to the legality of the donation by the state PAC to your state Senate campaign since that is beyond the purview of the Act.

In light of the fact that question number one was answered in the affirmative it is unnecessary for the Commission to address questions two and three. The Commission does note, however, that the answer to number one would apply to question number two as well. Again, see AO 1979-18.

This response constitutes an advisory opinion concerning the application of a general rule of law stated in the Act, or prescribed as a Commission regulation, to the specific factual situation set forth in your request. See 2 U.S.C. §437f.

Sincerely yours,


Robert O. Tiernan
Chairman for the
Federal Election Commission

Enclosure



I LOVE AMERICA COMMITTEE

P.O. BOX 1778 • LYNCHBURG, VIRGINIA 24505

DELIVER
ATTN: AL:

FEDERAL EXPRESS

February 14, 1985

Mr. Mike Tangney
Reports Analysis Division
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

RE: C00168484

Dear Mr. Tangney:

This letter is in response to the January 31, 1985 letter of Mr. John D. Gibson to the undersigned. Please consider this as a supplement to my earlier correspondence dated January 14, 1985.

Although the I Love America Committee ("ILAC") does not believe that the receipt of \$90,000 from the Old Time Gospel Hour ("OTGH") can be fairly characterized as a "contribution", ILAC is nevertheless willing to return the entire amount to OTGH at the earliest possible date. You should know that, since I was unaware of the existence of the Advisory Opinions referenced in Mr. Gibson's letter, any violation which the Commission may consider to have taken place was certainly inadvertent.

Enclosed is a photocopy of ILAC's check payable to OTGH in the amount of \$10,000, the full amount of ILAC's available funds as of February 13, 1985. ILAC plans to undertake a fund-raising campaign at the earliest possible date in order to raise the additional \$80,000 necessary to complete the return of the entire \$90,000 to OTGH. As funds are received by ILAC, they will be returned to OTGH. We will send photocopies of all such ILAC checks to your office. We would anticipate being able to complete the \$90,000 refund by August 15, 1985.

Please feel free to contact me if you have any further questions.

Sincerely,

Granville Y. Graham
Granville Y. Graham
Treasurer

I LOVE AMERICA COMMITTEE
808 - 6TH STREET
LYNCHBURG, VIRGINIA 24504

Attachment #6
Page 2

404

February 14 1985 **ENTIRE**

PAY TO THE ORDER OF *Old Line Hospital Fund* \$ *1000.00*
See enclosed letter + 82 DOLLARS

R&M FIRST FIDELITY NATIONAL BANK
Lynchburg, Virginia

For *Robert K. G. Hall*

⑆00000404⑆ ⑆051400646⑆ 0802 5896⑆

9 8 7 0 4 0 3 5 4 3 8 6



I LOVE AMERICA COMMITTEE

P.O. BOX 1778 • LYNCHBURG, VIRGINIA 24505

RECEIVED FEB 15 4:17 PM

FEDERAL EXPRESS

February 14, 1985

Mr. Mike Tangney
Imports Analysis Division
Federal Election Commission
1325 H Street, N. W.
Washington, D. C. 20463

RZ: C00168464

Dear Mr. Tangney:

This letter is in response to the January 31, 1985 letter of Mr. John D. Gibson to the undersigned. Please consider this as a supplement to my earlier correspondence dated January 14, 1985.

Although the I Love America Committee ("ILAC") does not believe that the receipt of \$90,000 from the Old Time Gospel Hour ("OTGH") can be fairly characterized as a "contribution", ILAC is nevertheless willing to return the entire amount to OTGH at the earliest possible date. You should know that, since I was unaware of the existence of the Advisory Opinions referenced in Mr. Gibson's letter, any violation which the Commission may consider to have taken place was certainly inadvertent.

Enclosed is a photocopy of ILAC's check payable to OTGH in the amount of \$10,000, the full amount of ILAC's available funds as of February 13, 1985. ILAC plans to undertake a fund-raising campaign at the earliest possible date in order to raise the additional \$80,000 necessary to complete the return of the entire \$90,000 to OTGH. As funds are received by ILAC, they will be returned to OTGH. We will send photocopies of all such ILAC checks to your office. We would anticipate being able to complete the \$90,000 refund by August 15, 1985.

Please feel free to contact me if you have any further questions.

Sincerely,

Granville Y. Graham
Granville Y. Graham
Treasurer

87040554387

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL BY OGC TO THE COMMISSION 5/20/85-8:45 RAD REFERRAL # 85L-15
STAFF MEMBER: REILLY

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENTS' NAMES: The I Love America Committee and Granville Graham, as treasurer Old-Time Gospel Hour, Inc.

RELEVANT STATUTE: 2 U.S.C. §441b(a)
AO 1979-24
AO 1979-76

FEDERAL REPORTS CHECKED: None

SENSITIVE

25 MAY 20 10:53

OFFICE OF THE FEC
COMMISSION SECRETARY

GENERATION OF THE MATTER

The Reports Analysis Division ("RAD") referred the I Love America Committee ("the Committee") with Granville Graham, as treasurer, and the Old-Time Gospel Hour Inc. ("the Corporation") to the Office of the General Counsel on April 8, 1985. The basis of the attached referral is a possible prohibited corporate contribution.

SUMMARY OF ALLEGATIONS

Reviewing Schedule D (Debts and Obligations) of the Committee's 1984 October Quarterly Report, RAD noted "a receipt [by the Committee] of \$90,000 from the Old-Time Gospel Hour, Inc. for the purchase of Bibles". RAD Referral at 1. The noted purpose of this debt was "purchase of Bibles". Concluding from the Committee's responses that the Corporation had given either funds or Bibles to the Committee, RAD noted a possible violation of 2 U.S.C. § 441b(a).

Reviewing the Committee's 1984 October Quarterly Report, it is unclear whether the Committee received the contribution noted by RAD, or whether the Committee sold 7500 Bibles to the

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Corporation for \$90,000. As illustrated below, the Committee's hazy reporting is the source of this confusion.

Initially, the Committee reported a \$90,000 obligation on Schedule D (Debts and Obligations) of its October Quarterly Report, and noted this obligation as a debt owed to the Committee by the Corporation. This Schedule also noted a \$90,000 payment made during this period (presumably by the Corporation). However, on an additional Schedule D also filed, reporting debts owed by the Committee, the Committee reports paying \$90,000 to the Corporation during this period. Additionally, Schedule B of this report (Itemizing the Committee's Operating Expenditures) also noted that the Committee disbursed \$90,000 (in-kind) to the Corporation on July 1, 1984. Finally, responding to an RFAI, the Committee amended its Schedule A (Itemizing Other Receipts) to include a \$90,000 entry from the Corporation.^{1/} None of the other later reports filed by the Committee report this \$90,000 transaction.

Corresponding with RAD, the Committee asserted the \$90,000 it received from the Corporation was not a contribution, "but a payment for the purchase of 7,500 Bibles". Disputing the existence of a corporate contribution, the Committee enclosed a statement from the vendor ("vendor's statement"). The vendor appears to be the Corporation.

^{1/} It is possible the Committee was attempting to report an in-kind contribution as both an expenditure and a contribution as required by 11 C.F.R. § 104.13(a).

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Reviewing the vendor's statement further, it apparently includes services rendered by the Corporation to the Committee (totaling \$105,901.20), with a \$90,000 credit entry noted as "Purchase of Bibles". The balance of this statement is \$15,901.20.

Prior to the RAD referral, the Committee stated it was willing to return the \$90,000. To date, the Committee has furnished RAD with a copy of a cancelled check evidencing that \$10,000 has been returned. The ownership, control, and use of the 7,500 Bibles are unknown.

In light of the foregoing, two scenarios are possible. First, as posited by RAD, the Committee may have received \$90,000 or 7,500 Bibles from the Corporation. Alternatively, the Committee may have sold the Bibles to the Corporation.^{2/} As shown below, either scenario involves a possible prohibited corporation contribution.

FACTUAL AND LEGAL ANALYSIS

The Act defines contributions to include a loan, or anything of value given with the purpose of influencing a federal election. 2 U.S.C. § 431(8)(A)(i). The Act prohibits

^{2/} The Committee's \$90,000 in-kind disbursement to the Corporation (possibly the Bibles), the Vendor's statement including a \$90,000 credit from the Corporation to the Committee (possibly a payment for the Bibles) and the amended Schedule A indicating receipt of \$90,000 from the Corporation, support a theory of a Bible sale by the Committee.

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corporations from making contributions to influence such elections. 2 U.S.C. § 441b(a). Additionally, political committees are prohibited from receiving corporate contributions. Id.

If the Committee received either \$90,000 or Bibles from the Old-Time Gospel Hour, Inc. the Committee would have received a contribution from a corporation.

Alternatively, if the Committee sold the Bibles to the Corporation, the Committee received corporate money. Regardless of the price paid, the Corporation would have given the Committee funds to be used for political purposes, constituting "anything of value" within the meaning of 2 U.S.C. § 431(8)(A)(i). See A.O. 1979-17 and 1979-76. Accordingly, this Office recommends that the Commission find reason to believe the I Love America Committee and Granville Graham, as treasurer, and the Old-Time Gospel Hour, Inc. violated 2 U.S.C. § 441b(a).

RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe the I Love America Committee and Granville Graham, as treasurer, violated 2 U.S.C. § 441b(a).
3. Find reason to believe the Old-Time Gospel Hour, Inc. violated 2 U.S.C. § 441b(a).

87040554392

4. Approve the attached interrogatories.
5. Approve the attached letters and Legal Factual Analyses.

Charles N. Steele
General Counsel

May 17, 1985
Date

By:


Kenneth A. Gross
Associate General Counsel

Attachments

1. RAD Referral
2. Proposed Letters (2)
3. Legal Factual Analysis (2)
4. Interrogatories (2)
5. Subpoena (2)
6. 1984 October Quarterly Report (Schedule D & Summary Pages)
7. 1984 October Quarterly Report (Amendments to above)

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Attachment(s) _____

to 1st GC Rat

have been removed from this
position in Public Record File.

See Index Item(s) _____

<u>Atch</u>	<u>Index</u>
1	1
2	4, 5
4	4, 5
5	4, 5
6	1
7	1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
The I Love America Committee) RAD Referral 85L-15
Granville Graham, as treasurer)
Old-Time Gospel Hour, Inc.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 22, 1985, the Commission decided by a vote of 6-0 to take the following actions in RAD Referral 85L-15:

1. Open a MUR.
2. Find reason to believe the I Love America Committee and Granville Graham, as treasurer, violated 2 U.S.C. § 441b(a).
3. Find reason to believe the Old-Time Gospel Hour, Inc. violated 2 U.S.C. § 441b(a).
4. Approve the interrogatories attached to the First General Counsel's Report signed May 17, 1985.
5. Approve the letters and Legal Factual Analyses attached to the First General Counsel's Report signed May 17, 1985.

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

Attest:

5/23/85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 5, 1985

Granville Graham, Treasurer
The I Love America Committee
P.O. Box 1776
Lynchburg, VA 24505

RE: MUR 2012
The I Love America Committee and
Granville Graham, as treasurer

Dear Mr. Graham:

On May 22, 1985, the Federal Election Commission determined that there is reason to believe The I Love America 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, along with your answers to the enclosed questions, within ten days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. 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).

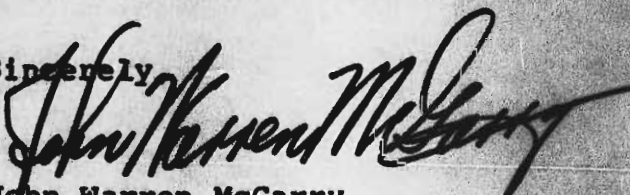
If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

Letter to Granville Graham, Treasurer
Page 2

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Patty Reilly, the attorney 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
Order
Interrogatories

87040554397

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

The I Love America Committee and
Granville Graham, as treasurer

MUR 2012

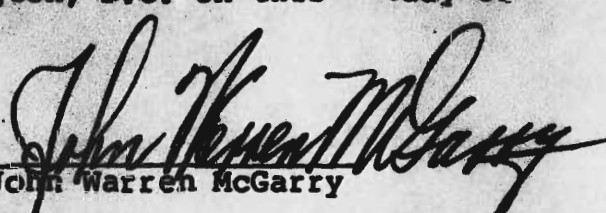
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Granville Graham
Treasurer, the I Love America Committee
P.O. Box 1776
Lynchburg, VA 24505

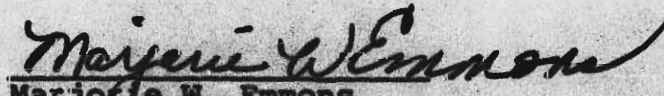
Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

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

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 2nd day of June, 1985.


John Warren McGarry

ATTEST:


Marjorie W. Emmons
Secretary to the Commission

Attachments

1. Interrogatories

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENT: The I Love America Committee
and Granville Graham, as treasurer

MUR NO: 2012

SUMMARY OF ALLEGATIONS

Pursuant to information ascertained in the normal course of its supervisory activities, the Federal Election Commission determined that there is reason to believe the I Love America Committee ("the Committee") and Granville Graham, as treasurer, violated 2 U.S.C. § 441b(a) by accepting a prohibited corporate contribution from the Old-Time Gospel Hour, Inc. ("the Corporation").

FACTUAL AND LEGAL ANALYSIS

The Act defines contributions to include a loan, or anything of value given with the purpose of influencing a federal election. 2 U.S.C. § 431(8)(A)(i). Corporations are prohibited from making contributions to influence such elections. 2 U.S.C. § 441b(a). Additionally, political committees are prohibited from receiving corporate contributions. Id.

It appears the Committee received a \$90,000 loan or 7,500 Bibles from the Old-Time Gospel Hour, Inc. in July, 1984. This is a contribution within the meaning of the Act. Alternatively, it appears the Committee sold 7,500 Bibles to the Corporation for \$90,000. The Corporation thus gave the Committee \$90,000 of corporate funds, constituting "anything of value" within the meaning of 2 U.S.C. § 431(8)(D)(i). See A.O. 1979-17 and 1979-76. Accordingly, there is reason to believe the Committee violated 2 U.S.C. § 441b(a).

TO:

The I Love American Committee
and Granville Graham, as treasurer

INTERROGATORIES

The Commission requests you to provide answers to the following questions. As used in this order, the terms listed below are defined as follows:

1. The terms "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of the request any answers or documents which may be otherwise construed to be out of its scope.
2. "Identify" with respect to individuals shall mean the full name, last known residence address of such individual, the last known place of business where such individual is or was employed, and the title of the job, office or position held.
3. All references to the "I Love America Committee" or "the Committee" with respect to each of the requests and answers enumerated herein, include all persons, political committees, and other entities authorized to conduct business on behalf of the I Love America Committee.
4. All references to the "Old-Time Gospel Hour, Inc." or "the Corporation" with respect to each of the request and answers enumerated herein, include all persons, political committees, and other entities authorized to conduct business on behalf of the Old-Time Gospel Hour, Inc.

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1. Identify the person responding to these questions.
2. Explain the Committee's entry on Schedule D of its 1984 October Quarterly Report indicating its \$90,000 obligation to the Old-Time Gospel Hour, Inc. including:
 - a) the date this obligation was incurred
 - b) the terms of this transaction, including whether any goods were exchanged
 - c) the interest to be paid,
 - d) the identity of the creditor
 - e) the terms of repayment agreed upon at the time of the transaction.
 - f) the terms of any subsequent repayment agreement
 - g) the identity of the Committee representative that arranged the transaction.
 - h) the identity of the person in the Corporation offering to make the loan.
3. State whether the Committee used this \$90,000 to purchase Bibles
4. If the answer to question 3 is no, state whether the Committee received Bibles from the Corporation
5. If answers to questions 3 & 4 are no, state whether the Committee sold Bibles to the Corporation
6. If the Committee received either funds or Bibles from the Corporation, describe the Committee's use(s) of either.

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7. If the Committee received Bibles from the Corporation and is using these Bibles for fundraising purposes, State:

- a) the cost paid by the Committee for each Bible.
- b) the price sought for the Bibles by the Committee in its fundraising efforts.
- c) the total amount of money raised by the Committee from the sale of the Bibles.
- d) the number of Bibles sold.
- e) the date of the anticipated end of the fundraising drive.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 5, 1985

The Old-Time Gospel Hour, Inc.
Langhorne Plaza
Vienna, VA 24514

RE: MUR 2012
The Old-Time Gospel Hour, Inc.

Dear Sir or Madam:

On May 22, 1985, the Federal Election Commission determined that there is reason to believe The Old-Time Gospel Hour, Inc. violated 2 U.S.C. § 441b(a) a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the 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. Statements should be submitted under oath.

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

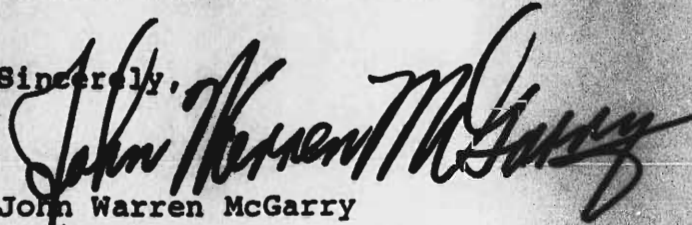
5

Letter to Old-Time Gospel Hour, Inc.
Page 2

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Patty Reilly, the attorney 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
Order
Interrogatories

87040654404

5

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

The Old-Time Gospel Hour, Inc)

) MUR 2012
)

ORDER TO SUBMIT WRITTEN ANSWERS

TO: The Old-Time Gospel Hour, Inc..
Langhorne Plaza
Vienna, VA 24514

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

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

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 3rd day of June, 1985.


John Warren McGarry

ATTEST:


Marjorie W. Emmons
Secretary to the Commission

Attachments

1. Interrogatories

87040554403

TO:

The Old-Time Gospel Hour, Inc.

INTERROGATORIES

The Commission requests you to provide answers to the following questions. As used in this order, the terms listed below are defined as follows:

1. The terms "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of the request any answers or documents which may be otherwise construed to be out of its scope.
2. "Identify" with respect to individuals shall mean the full name, last known residence address of such individual, the last known place of business where such individual is or was employed, and the title of the job, office or position held.
3. All references to the "I Love America Committee or "the Committee" with respect to each of the requests and answers enumerated herein, include all persons, political committees, and other entities authorized to conduct business on behalf of the I Love America Committee.
4. All references to the "Old-Time Gospel Hour, Inc." or "the Corporation" with respect to each of the request and answers enumerated herein, include all persons, political committees, and other entities authorized to conduct business on behalf of the Old Time Gospel Hour, Inc.

87040654406

1. Identify the person responding to these questions.
2. State whether the Corporation entered into a transaction with the Committee in which the Corporation extended \$90,000 in credit or advanced \$90,000 in goods to the Committee. If so, state:
 - a) the date this obligation was incurred
 - b) the terms of this transaction, including whether any goods were exchanged
 - c) the interest to be paid
 - d) the identity of the creditor
 - e) the terms of repayment agreed upon at the time of the transaction
 - f) the terms of any subsequent repayment agreement
 - g) the identity of the person from the Corporation arranging this transaction.
 - h) the identity of the person in the Committee who arranged this transaction with the corporation
3. If the answer to question 2 is yes, describe the Corporation's understanding of the Committee's use of these goods or proceeds.
4. If the answer to question 2 is no, state whether the Corporation purchased Bibles from the Committee. If so, state:
 - a) the date this purchase occurred
 - b) the terms of this transaction, including whether any other goods were exchanged
 - c) the interest to be paid

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- d) the identity of the creditor
- e) the terms of repayment agreed upon at the time of the transaction
- f) the terms of any subsequent repayment agreement
- g) the identity of the person from the Corporation arranging this transaction.
- h) the identity of the person in the Committee who arranged this transaction with the corporation.

5. If the Corporation purchased Bibles from the Committee state:

- a) the price paid per Bible
- b) the price the Bible is being sold for by the Corporation
- c) the amount of money raised from Bible sales
- d) the number of Bibles sold

87040554408

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENT: The Old-Time Gospel Hour, Inc.

MUR NO: 2012

SUMMARY OF ALLEGATIONS

Pursuant to information ascertained in the normal course of its supervisory activities, the Federal Election Commission determined that there is reason to believe the Old-Time Gospel Hour, Inc. ("the Corporation") violated 2 U.S.C. § 441b(a) by making a prohibited corporate contribution to the I Love America Committee ("the Committee")...

FACTUAL AND LEGAL ANALYSIS

The Act defines contributions to include a loan, or anything of value given with the purpose of influencing a federal election. 2 U.S.C. § 431(8)(A)(i). Corporations are prohibited from making contributions to influence such elections. 2 U.S.C. § 441b(a). Additionally, political committees are prohibited from receiving corporate contributions. Id.

It appears the Old-Time Gospel Hour, Inc. made a \$90,000 loan to the Committee or gave the Committee 7,500 Bibles in July, 1984. The Act defines these as contributions. This is a contribution within the meaning of the Act. Alternatively, it appears the Committee sold 7,500 Bibles to the Corporation for \$90,000. The Corporation thus gave the Committee \$90,000 of corporate funds, constituting "anything of value" within the meaning of 2 U.S.C. § 431(8)(A)(i). See A.O. 1979-17 and 1979-76. Accordingly, there is reason to believe the Old-Time Gospel Hour, Inc. violated 2 U.S.C. § 441b(a).

87040554409

LAW OFFICE

SCOTT, HARRISON & MCLEOD

2501 M STREET, N.W.
WASHINGTON, D. C. 20037
(202) 861-1234
CABLE SCOTTLAW
TELEX 350-340

HUGH SCOTT
MARION EDWYN HARRISON
JOHN M. HIMMELBERG
MARSHALL L. MATZ
MICHAEL R. MCLEOD
ALEXANDER J. PIRES, JR.
JOHN A. HARRIS
WAYNE R. WATKINSON
JEFFREY A. KNISHKOWY*

*NOT ADMITTED D.C.

ALVIN J. GESKE
MARC ERIC MILLER
OF COUNSEL

SANDY J. BURKE
GOVERNMENT RELATIONS

June 25, 1985

By hand

Ms. Patty Reilly
Attorney
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2012

Dear Ms. Reilly:

We enter our appearance and submit herewith the Statement of Designation of Counsel for Old Time Gospel Hour, Inc. dated June 24, 1985 and received by us yesterday afternoon.

We also received yesterday your letter of June 5, 1985, with attached interrogatories.

I am leaving in a few minutes for a business trip to Virginia Beach, Philadelphia and Hartford and will be in contact with you upon my return.

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OFFICE OF THE
GENERAL COUNSEL
JUN 25 1985 3:19 PM

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SCOTT. HARRISON & McLEOD

Ms. Patty Reilly
June 25, 1985
Page - 2 -

Sincerely,



MARION EDWYN HARRISON

MEH:jb
Enc

cc Old Time Gospel Hour, Inc.

8 / 0 4 0 5 5 4 4 1 1

CCC # 7752

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
J. COLEMAN BEAN
ARTHUR L. HEROLD
ALAN P. DYE
BURKETT VAN KIRK
FRANK M. NORTHAM
C. MICHAEL DEESE
GERARD P. PANARO
JOHN W. HAZARD, JR.
BRAD D. WEISS

LAW OFFICES
WEBSTER, CHAMBERLAIN & BEAN
1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20006
(202) 785-9500

June 14, 1985

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
85 JUN 14 4:33 PM

BY HAND DELIVERY

Patty Reilly, Esq.
Office of the General Counsel
Federal Election Commission
7th Floor
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 2012

Dear Ms. Reilly:

Enclosed please find a completed and executed Statement of Designation of Counsel designating the undersigned and Alan P. Dye of this firm as counsel for the respondents in MUR 2012.

Respondents received the June 5, 1985 letter from Chairman McGarry on June 11, 1985. Thus, absent a time extension, the deadline for respondents' submission of additional materials and sworn answers to the Commission's questions is June 21, 1985. Respondents must request an extension of fifteen (15) days, or until July 6, 1985, within which to make those submissions. The reasons justifying such a submission are as follows:

1. Respondents will require several days just to review the matters necessary to formulate answers to the Commission's questions. Respondents will then need to travel to Washington, D.C. to meet with their counsel.
2. The undersigned, as primary counsel for respondents in this matter, is, and has been for some time, scheduled to be out of town from June 15 through June 23, 1985. Thus, the earliest that a meeting between respondents and their counsel could take place is the week of June 24, 1985.

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WEBSTER, CHAMBERLAIN & BEAN

Patty Reilly, Esq.
June 14, 1985
Page Two

3. It is not feasible, economically or otherwise, for any other attorney in this office to handle this initial portion of the proceedings.

For the foregoing reasons, respondents respectfully request an extension of time of fifteen (15) days.

Sincerely,



C. Michael Deese

CMD:sdw

87040654413

CRANE

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2012

NAME OF COUNSEL: Alan Dye; C. Michael Deese

ADDRESS: Webster Chamberlain & Bean

1747 Pennsylvania Ave.

Washington, DC 20006

TELEPHONE: 202-785-9500

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.

6/13/85
Date

Granville Y. Graham
Signature

RESPONDENT'S NAME: Granville Y. Graham

ADDRESS: I Love America Committee

P.O. Box 1776

Lynchburg, VA 24505

HOME PHONE: _____

BUSINESS PHONE: 804-528-5020

RECEIVED
GENERAL COUNSEL
85 JUN 14 5:16

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 18, 1985

C. Michael Deese, Esquire
Webster, Chamberlain, & Bean
1747 Pennsylvania Avenue N.W.
Washington D.C. 20006

Re: MUR 2012
The I Love America
Committee and Granville
Graham, as treasurer

Dear Mr. Deese:

The Office of the General Counsel is in receipt of your recent letter requesting a 15 day extension of time in which to respond in the above-captioned matter. After considering the circumstances detailed in your request, this Office will grant the extension. Accordingly, your response is due on July 6, 1985.

If you have any questions please direct them to Patty Reilly, the attorney assigned to this matter, at 523-4143.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

87040354415

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
J. COLEMAN BEAN
ARTHUR L. HEROLD
ALAN P. DYE
BURKETT VAN KIRK
FRANK M. NORTHAM
C. MICHAEL DEESE
GERARD P. PANARO
JOHN W. HAZARD, JR.
BRAD D. WEISS

LAW OFFICES
WEBSTER, CHAMBERLAIN & BEAN
1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20006
(202) 785-9500

6007923
RECEIVED
OFFICE OF THE
GENERAL COUNSEL

85 JUL 3 P 2:54
Reilly

July 3, 1985

BY HAND

Patty Reilly, Esquire
Office of the General Counsel
Federal Election Commission
7th Floor
1325 K Street, N.W.
Washington, D.C. 20463

RE: MUR 2012

Dear Ms. Reilly:

Enclosed please find the answers of respondents I Love America Committee (ILAC) and Granville Graham to the Commission's interrogatories in MUR 2012. As you can see from the answer to interrogatory 2, the transaction at issue was really quite simple: The Old-Time Gospel Hour (OTGH) provided services to ILAC and was paid for those services in Bibles rather than money; for OTGH's purposes, Bibles were as convenient a medium of exchange as cash since Bibles are often used by OTGH in its own fund-raising efforts.

In view of the foregoing facts, we do not believe that the Commission's Advisory Opinions cited in the General Counsel's Factual and Legal Analysis, A. O. 1979-17 and A. O. 1979-76, are controlling. We would like very much to arrange a mutually convenient time to meet with you to discuss this matter in greater detail. Upon the conclusion of your review of the enclosed, I would, therefore, ask that you give me a call so that we might schedule such a meeting.

Thank you very much for your consideration.

Yours very truly,

C. Michael Deese

C. Michael Deese

CMD/je
Enclosure

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:

The I Love America Committee
and Granville Graham, as
Treasurer

MUR 2012

RESPONDENTS' ANSWERS TO INTERROGATORIES

Respondents The I Love America Committee (hereinafter "ILAC") and Granville Graham, Treasurer of ILAC, hereby answer the Interrogatories propounded by the Commission on June 3, 1985, as follows:

Interrogatory 1.

Identify the person responding to these questions.

Answer:

Dr. Ronald S. Godwin
Rt. 2 Box 65 A
Altavista, VA 24517

Vice President
I Love America Committee
P.O. Box 1776
Lynchburg, VA 24505

87040654417

Interrogatory 2.

Explain the Committee's entry on Schedule D of its 1984 October Quarterly Report indicating its \$90,000 obligation to the Old-Time Gospel Hour, Inc. including:

- (a) the date this obligation was incurred.
- (b) the terms of this transaction, including whether any goods were exchanged.
- (c) the interest to be paid.
- (d) the identity of the creditor.
- (e) the terms of repayment agreed upon at the time of the transaction.
- (f) the terms of any subsequent repayment agreement.
- (g) the identity of the Committee representative that arranged the transaction.
- (h) the identity of the person in the Corporation offering to make the loan.

Answer:

Inasmuch as the \$90,000 entry was included on Schedule D (Debts Owed to the Committee) of ILAC's October 15, 1984 Quarterly Report to the Commission, it did not reflect a debt owed to the Old-Time Gospel Hour, Inc. (hereinafter "OTGH"). Thus, the basis of Interrogatory 2 is erroneous and subparts (a) through (f) are inapplicable. For the same reason Interrogatories 3, 4 and 7 are also inapplicable.

ILAC would describe the transaction at issue as follows:

ILAC contracts with others for the provision of services incident to ILAC's fund-raising efforts. During the period from February 16, 1984 through June 14, 1984, OTGH provided to ILAC certain mailshop, postage and list rental services with a fair market value of approximately \$90,000. The right to provide those services was granted to OTGH because its price quotation was lower than the quotations of the several other firms contacted by ILAC. Prior to its receipt of the mailshop and other services, ILAC granted to OTGH, in payment for the services to be rendered to ILAC, the right to obtain from ILAC 7,500 Bibles with a minimum fair market value of \$90,000. On or about March 14, 1984, OTGH requested and received 4,500 Bibles from ILAC. On or about April 10, 1984, OTGH requested and received the remaining 3,000 Bibles.

This transaction was arranged by Mr. Granville Graham, Treasurer of ILAC. The transaction was neither a loan nor a contribution. Mr. Graham dealt with Thomas Randall Scott at OTGH. ILAC understands that Mr. Scott's address is 6332 Pawnee Drive, Lynchburg, Virginia 24502.

In essence, ILAC purchased ordinary and necessary business services from OTGH at fair market value and paid for those services in Bibles with a fair market value equal to or greater than that of the services.

Interrogatory 3.

State whether the Committee used this \$90,000 to purchase Bibles.

Answer:

ILAC did not receive \$90,000. See answer to Interrogatory 2.

Interrogatory 4.

If the answer to question 3 is no, state whether the Committee received Bibles from the Corporation.

Answer:

ILAC did not receive Bibles from OTGH. See answer to Interrogatory 2.

Interrogatory 5.

If answers to questions 3 & 4 are no, state whether the Committee sold Bibles to the Corporation.

Answer:

ILAC did not "sell" Bibles to OTGH. See answer to Interrogatory 2.

Interrogatory 6.

If the Committee received either funds or Bibles from the Corporation, describe the Committee's use(s) of either.

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Answer:

ILAC did not receive funds or Bibles from OTGH. OTGH received Bibles from ILAC in payment for the mailshop and other services which OTGH provided to ILAC.

Interrogatory 7.

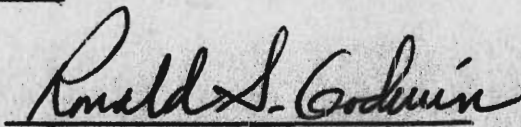
If the Committee received Bibles from the Corporation and is using these Bibles for fundraising purposes, state:

- (a) the cost paid by the Committee for each Bible.
- (b) the price sought for the Bibles by the Committee in its fundraising efforts.
- (c) the total amount of money raised by the Committee from the sale of the Bibles.
- (d) the number of Bibles sold.
- (e) the date of the anticipated end of the fundraising drive.

Answer:

ILAC did not receive Bibles from OTGH. OTGH received 7,500 Bibles from ILAC in payment for services valued at approximately \$90,000.

WITNESS my hand this 2nd day of July, 1985.


Dr. Ronald S. Godwin

COMMONWEALTH OF VIRGINIA)
) To-wit:
CITY OF LYNCHBURG)

Before me, the undersigned Notary Public, on this 2ND day of July, 1985, personally appeared DR. RONALD S. GODWIN, who being duly sworn, upon his oath stated the above answers to written interrogatories submitted by Order of the Federal Election Commission dated June 3, 1985 are true and correct.

GIVEN under my hand and seal of office this 2ND day of July, 1985.

My commission expires: May 27, 1986

Sandra D. Hickey
Notary Public



87040654422

LAW OFFICE

SCOTT, HARRISON & MCLEOD

2501 M STREET, N.W.
WASHINGTON, D. C. 20037
(202) 861-1234
CABLE SCOTTLAW
TELEX 350-340

HUGH SCOTT
MARION EDWYN HARRISON
JOHN M. HIMMELBERG
MARSHALL L. MATZ
MICHAEL R. MCLEOD
ALEXANDER J. PIRES, JR.
JOHN A. HARRIS
WAYNE R. WATKINSON
JEFFREY A. KNISHKOWY*

*NOT ADMITTED D.C.

July 3, 1985

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GCC # 7949

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CALVIN J. GESKE
MARC ERIC MILLER

OF COUNSEL

SANDY J. BURKE

GOVERNMENT RELATIONS

OFFICE OF THE
GENERAL COUNSEL

RECEIVED

JUL 11 1985

3:54

Ms. Patty Reilly
Attorney
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2012

Dear Ms. Reilly:

We attach Respondents' Answers to Interrogatories.

Sincerely,

Janet Horgen

(Mrs.) Janet Horgen
Secretary to Mr. Harrison

Enclosure

cc Old Time Gospel Hour, Inc.

NOTED

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- a) the date this obligation was incurred
 - b) the terms of this transaction, including whether any goods were exchanged
 - c) the interest to be paid
 - d) the identity of the creditor
 - e) the terms of repayment agreed upon at the time of the transaction
 - f) the terms of any subsequent repayment agreement
 - g) the identity of the person from the Corporation arranging this transaction
 - h) the identity of the person in the Committee who arranged this transaction with the corporation

Answer

No.

a) - h) Inapplicable.

Interrogatory 3

If the answer to question 2 is yes, describe the Corporation's understanding of the Committee's use of these goods or proceeds.

Answer

Inapplicable.

Interrogatory 4

If the answer to question 2 is no, state whether the Corporation purchased Bibles from the Committee. If so, state:

- a) the date this purchase occurred
- b) the terms of this transaction, including whether any other goods were exchanged
- c) the interest to be paid
- d) the identity of the creditor
- e) the terms of repayment agreed upon at the time of the transaction
- f) the terms of any subsequent repayment agreement
- g) the identity of the person from the Corporation arranging this transaction
- h) the identity of the person in the Committee who arranged this transaction with the corporation.

Answer

No.

- a) - h) Inapplicable.

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By way of further answer, The Old-Time Gospel Hour, Inc., as competitive low bidder, performed services of the value of \$108,000.00 for the I Love America Committee. The I Love America Committee paid a portion of said fee and expenses by barter in the form of Bibles valued at \$90,000.00.

Negotiations on behalf of The Old-Time Gospel Hour, Inc. were handled by a former employee, who then was in charge of the purchase of Bibles, Mr. Thomas Randall Scott, 6332 Pawnee Drive, Lynchburg, Virginia 24502.

Negotiations on behalf of the I Love America Committee were handled by its Production Manager, Mr. Granville Graham, 7212 Richland Drive, Lynchburg, Virginia 24502.

Interrogatory 5

If the Corporation purchased Bibles from the Committee state:

- a) the price paid per Bible
- b) the price the Bible is being sold for by the Corporation
- c) the amount of money raised from Bible sales
- d) the number of Bibles sold

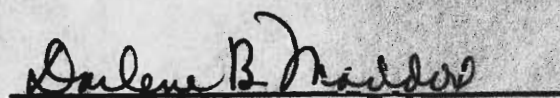
Answer

Inapplicable.


CHARLES G. LOWRY

COMMONWEALTH OF VIRGINIA]
] ss.
CITY OF LYNCHBURG]

Subscribed and sworn to before me, a Notary Public, this
2nd day of July, 1985.


Notary Public

My commission expires 5/17/88.



BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

In the Matter of)

The Old Time Gospel Hour, Inc.)
The I Love America Committee and)
Granville Graham, as treasurer)

MUR 2012

85 JUL 22 P4:12

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On May 22, 1985 the Commission found reason to believe The Old Time Gospel Hour, Inc. ("the Corporation") and the I Love America Committee ("the Committee") and Granville Graham, as treasurer, violated 2 U.S.C. § 441b(a). Underlying the Commission's findings were the Committee's reports indicating the respondents had exchanged either \$90,000 or 7,500 Bibles. Because of the confusion surrounding the form and substance of this transaction, the Commission also approved interrogatories to be sent to the Committee and the Corporation.

Subsequently, on July 3, 1985, this Office received answers to these interrogatories. These indicate that the Committee contracted with the Corporation for services totaling approximately \$90,000. According to the terms of this contract, the Committee paid for these services by giving the Corporation 7,500 Bibles. The Committee explained this unusual transaction stating, "Bibles were as convenient a medium of exchange as cash since Bibles are often used by [the Corporation] in its own fundraising efforts."

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Several questions surrounding this transaction remain unanswered. It is unknown where the Committee obtained these Bibles. Excessive contributions may have occurred if these were donated materials. Alternatively, a corporate contribution or an excessive contribution may have occurred if the Committee paid less than fair market value for these materials. Additionally, because of this unusual payment agreement, it should be determined whether the Corporation charged fair market value for its services. In light of the foregoing, this Office recommends that the Commission approve the attached subpoenas and orders directed to the Old Time Gospel Hour Inc. and the I Love America Committee and Granville Graham, as treasurer.

II. RECOMMENDATIONS

1. Approve the attached subpoenas and orders to the Old Time Gospel Hour Inc. and the I Love America Committee and Granville Graham, as treasurer.
2. Approve the attached letters.

Date

July 22, 1985

Charles N. Steele
General Counsel

Kenneth A. Gross
Associate General Counsel

Attachments

- 1- Response of Corporation
- 2- Response of Committee
- 3- Orders (2)
- 4- Letters (2)

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Attachment(s) 1.2.3.4
to 7/22/85 GCRpt

have been removed from this
position in Public Record File.

See Index Item(s) 9,10,15,16



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *ld*
DATE: July 22, 1985
SUBJECT: MUR 2012 - General Counsel's Report

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

Open Session _____

Closed Session _____

CIRCULATIONS

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

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

Information []
Sensitive []
Non-Sensitive []

Other []

DISTRIBUTION

Compliance [X]

Audit Matters []

Litigation []

Closed MUR Letters []

Status Sheets []

Advisory Opinions []

Other (see distribution below) []

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

The Old Time Gospel Hour, Inc.)

The I Love America Committee and)
Granville Graham, as treasurer)

MUR 2012

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of July 30, 1985, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions in MUR 2012:

1. Approve the subpoenas and orders to the Old Time Gospel Hour, Inc. and the I Love America Committee and Granville Graham, as treasurer, as recommended in the General Counsel's report dated July 22, 1985.
2. Approve the letters attached to the General Counsel's report dated July 22, 1985.

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

Attest:

7-30-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
J. COLEMAN BEAN
ARTHUR L. HEROLD
ALAN P. DYE
BURKETT VAN KIRK
FRANK M. NORTHAM
C. MICHAEL DEESE
GERARD P. PANARO
JOHN W. HAZARD, JR.
BRAD D. WEISS

LAW OFFICES
WEBSTER, CHAMBERLAIN & BEAN
1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20006
(202) 785-9500

RECEIVED AT THE FEC
GCC #8160
85 JUL 30 P12:40

July 29, 1985

Patty Reilly, Esq.
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W., 7th Floor
Washington, D.C. 20463

Re: MUR 2012

Dear Ms. Reilly:

This will confirm the substance of our telephone conversation of several weeks ago in which you stated that your office would be sending me additional written questions to be answered by the respondents. To date, I have not received any such materials.

Please let me know if you have decided to proceed in any manner other than that referenced in our most recent conversation.

Very truly yours,



C. Michael Deese

CMD/aj

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
85 JUL 30 P2:32

87040554434



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

15 August 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

C. Michael Deese, Esquire
Webster, Chamberlain, & Bean
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

RE: MUR 2012
I Love America Committee
and Granville Graham,
as treasurer

Dear Mr. Deese:

On May 22, 1985, your clients were notified that the Commission found reason to believe your clients violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. An investigation of this matter is being conducted and it has been determined that additional information from your clients is necessary.

Consequently, the Federal Election Commission has issued the attached subpoena and order which requires your clients to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code.

It is required that you submit the information under oath and that you do so within ten days of your receipt of this subpoena and order.

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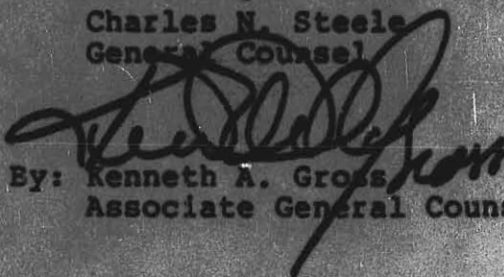
15

Letter to C. Michael Deese
Page 2

If you have any questions, please direct them to Patty
Reilly, the attorney handling this matter, at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosure
Order
Questions

87040654436

15

TO:

The I Love America Committee
and Granville Graham, as treasurer

QUESTIONS

The Commission requests you to provide answers to the following questions. As used in this subpoena and order, the terms listed below are defined as follows:

1. The terms "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of the request any answers or documents which may be otherwise construed to be out of its scope.
2. "Identify" with respect to individuals shall mean the full name, last known residence address of such individual, the last known place of business where such individual is or was employed, and the title of the job, office or position held.
3. The term "documents and materials" shall mean all tangible things by which human communication is transmitted or stored including the original, all copies, and drafts of writings of any kind, printed, visual, or electronic materials to be produced with respect to each of the requests enumerated herein. In particular, without limiting the generality of the foregoing, "documents and materials" include correspondence, memoranda, reports, minutes, pamphlets, notes, letters, discs, cassettes, telegrams, messages (including reports, notes, and memoranda of telephone conversations and conferences), calendar and diary

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entries, contracts, data, agendas, articles, visual aides, account statements, billing forms, receipts, checks, solicitation materials, records and compilations. Designated "documents and materials" are to be taken as including all attachments, enclosures and other documents that are attached to, relate to, or refer to such designated "documents and materials."

4. All references to the "I Love America Committee" or "the Committee" with respect to each of the requests and answers enumerated herein, include all persons, political committees, and other entities authorized to conduct business on behalf of the I Love America Committee.
5. All references to the "Old-Time Gospel Hour, Inc." or "the Corporation" with respect to each of the request and answers enumerated herein, include all persons, political committees, and other entities authorized to conduct business on behalf of the Old Time Gospel Hour, Inc.

1. Identify the person responding to these questions.
2. Identify the source from which the Committee obtained the 7,500 Bibles used by the Committee to pay the Corporation for services rendered between February 16, 1984 and June 14, 1984.
3. If the Committee purchased the Bibles (all or some) state:
 - a) the amount paid per Bible
 - b) the terms of the transaction

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4. If the Committee received the Bibles as contributions, identify each contributor and state the date and the number of Bibles given for each such contribution.
5. State the Committee's intended use of the Bibles at the time they were obtained.

- a) If this intended use is different from the Committee's ultimate use of the Bible, state why.

6. Describe the negotiations conducted between Mr. Thomas Randall Scott of the Corporation and Mr. Granville Graham of the Committee regarding services to be provided for the Committee by the Corporation between February 16, 1984, and June 14, 1984 including but not limited to:

- a) the identity of the person(s) suggesting the Bibles be used as a form of payment for services.
 - b) the methods used to assess the unit price per Bible.
 - c) the assessed unit price.

7. Identify all other persons or entities that the Committee negotiated with for the services ultimately performed by the Corporation during the above-mentioned period.

8. State whether any persons or entities named in response to question 7 were asked by the Committee to accept the Bibles as payment for these services.

9. Identify all other persons or entities to whom the Committee has given Bibles as payment for goods or services, including the type of goods or services provided, the cost of such goods or

87040654439

services and the number of Bibles used as payment for the goods or services.

10. Describe all services performed by the Corporation for the Committee between February 16, 1984, and June 14, 1984. List the dates these services were performed.

11. State the method used to determine the value of these services.

87040654440

TO: The I Love America Committee and Granville Graham, as
treasurer.

The Commission requests you to provide the following
documents and materials:

1. All documents and materials relating to the Committee's
obtaining the Bibles including but not limited to bills, vending
slips, or contribution checks, letters and receipts.
2. All documents and materials relating to negotiations between
the Corporation and the Committee for services rendered by the
Corporation between February 16, 1984, and June 14, 1984, on
behalf of the Committee.
3. All documents and materials evidencing all bills sent by the
Corporation to the Committee for services rendered in the above-
mentioned period.
4. All documents and materials relating to the transmittal of
the Bibles to the Corporation by the Committee.
5. All documents and materials relating to negotiations between
the Corporation and the Committee assessing a unit price per
Bible.

8704055441



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 15, 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marion Edwyn Harrison, Esquire
Scott, Harrison & McLeod
2501 M Street, N.W.
Washington, D.C. 20037

RE: MUR 2012
The Old Time Gospel Hour, Inc.

Dear Mr. Harrison:

On May 22, 1985, your client was notified that the Commission found reason to believe your client violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. An investigation of this matter is being conducted and it has been determined that additional information from your client is necessary.

Consequently, the Federal Election Commission has issued the attached subpoena and order which requires your client to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code.

It is required that you submit the information under oath and that you do so within ten days of your receipt of this subpoena and order.

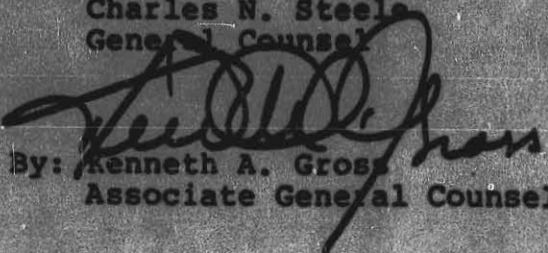
87040554442

Letter to Marion Edwyn Harrison
Page 2

If you have any questions, please direct them to Patty
Reilly, the attorney handling this matter, at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosure
Order
Questions

87040554443

TO:

The Old-Time Gospel Hour, Inc.

The Commission requests you to provide the following documents and materials:

1. All documents and materials relating to negotiations between the Corporation and the Committee for services to be rendered by the Corporation between February 16, 1984, and June 14, 1984, on behalf of the Committee.
2. All documents and materials evidencing all bills sent by the Corporation to the Committee for services rendered in the above-mentioned period.
3. All documents and materials relating to the transmittal of the Bibles to the Corporation by the Committee.
4. All documents and materials relating to negotiations between the Corporation and the Committee assessing a unit price per Bible.

87040654444

TO:

The Old-Time Gospel Hour, Inc.

QUESTIONS

The Commission requests you to provide answers to the below listed questions. As used in this subpoena and order, the terms listed below are defined as follows:

1. The terms "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of the request any answers or documents which may be otherwise construed to be out of its scope.
2. "Identify" with respect to individuals shall mean the full name, last known residence address of such individual, the last known place of business where such individual is or was employed, and the title of the job, office or position held.
3. The term "documents and materials" shall mean all tangible things by which human communication is transmitted or stored including the original, all copies, and drafts of writings of any kind, printed, visual, or electronic materials to be produced with respect to each of the requests enumerated herein. In particular, without limiting the generality of the foregoing, "documents and materials" include correspondence, memoranda, reports, minutes, pamphlets, notes, letters, discs, cassettes, telegrams, messages (including reports, notes, and memoranda of telephone conversations and conferences), calendar and diary

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entries, contracts, data, agendas, articles, visual aides, account statements, billing forms, receipts, checks, solicitation materials, records and compilations. Designated "documents and materials" are to be taken as including all attachments, enclosures and other documents that are attached to, relate to, or refer to such designated "documents and materials."

4. All references to the "I Love America Committee" or "the Committee" with respect to each of the requests and answers enumerated herein, include all persons, political committees, and other entities authorized to conduct business on behalf of the I Love America Committee.

5. All references to the "Old-Time Gospel Hour, Inc." or "the Corporation" with respect to each of the request and answers enumerated herein, include all persons, political committees, and other entities authorized to conduct business on behalf of the Old Time Gospel Hour, Inc.

1. Identify the person responding to these questions.

2. Describe the negotiations conducted between Mr. Thomas Randall Scott of the Corporation, and Mr. Granville Graham regarding services to be provided for the Committee by the Corporation between February 16, 1984, and June 14, 1984, including but not limited to:

a) the identity of the person(s) from whom the Corporation learned the Committee had Bibles to use as payment for services.

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- b) the identity of the person suggesting the Bibles be used as payment for the Corporation's services.
 - c) the method used to assess a unit price per Bible.
 - d) the assessed unit price per Bible.
3. Describe all services performed by the Corporation for the Committee between February 16, 1984, and June 14, 1984. List the dates these services were performed.
 4. State the method used to determine the value of these services.
 5. Describe the Corporation's uses of these Bibles after their transfer by the Committee, including but not limited to, the price for which the Bibles were sold as part of any fundraising efforts conducted by the Corporation.
 6. State whether the Corporation knew the purchase price paid by the Committee for the Bibles.
If so, state this price.
 7. State whether the Corporation knew the source from which the Committee obtained the Bibles.
If so, identify this source.
 8. State whether the Corporation, on any other occasions, has accepted goods as payment for its services.
If so, describe each such instance, including the type of goods used, the type of services rendered, the parties involved and the dates of such transactions.

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LAW OFFICE

SCOTT, HARRISON & MCLEOD

2501 M STREET, N.W.
WASHINGTON, D.C. 20037
(202) 861-1234
CABLE SCOTTLAW
TELEX 350-340

HUGH SCOTT
MARION EDWYN HARRISON
JOHN M. HIMMELBERG
MARSHALL L. MATZ
MICHAEL R. MCLEOD
ALEXANDER J. PIRES, JR.
JOHN A. HARRIS
WAYNE R. WATKINSON
JEFFREY A. KNISKOWY*

*NOT ADMITTED D.C.

August 19, 1985

ALVIN J. GESKE
MARC ERIC MILLER
OF COUNSEL
—
SANDY J. BURKE
GOVERNMENT RELATIONS

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

Re: MUR 2012
The Old Time Gospel Hour, Inc.

Dear Mr. Steele:

In Mr. Harrison's absence I acknowledge receipt
of your subpoena.

Mr. Harrison is abroad and will return in September.

Sincerely,



(Mrs.) Janet Horgen
Secretary to Mr. Harrison

RECEIVED AT THE PSC
— QCH 8346
85 AUG 20 12 38

RECEIVED
OFFICE OF THE
FEDERAL ELECTION COMMISSION
15 AUG 20 11:31

87040554448

LAW OFFICES

WEBSTER, CHAMBERLAIN & BEAN

1747 PENNSYLVANIA AVENUE, N. W.

WASHINGTON, D. C. 20008

(202) 785-9500

August 19, 1985

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
J. COLEMAN BEAN
ARTHUR L. HEROLD
ALAN P. DYE
BURKETT VAN KIRK
FRANK M. NORTHAM
C. MICHAEL DEESE
GERARD P. PANARO
JOHN W. HAZARD, JR.
BRAD D. WEISS

BY HAND

Kenneth A. Gross, Esquire
Associate General Counsel
Federal Election Commission
1325 K Street, N.W., Seventh Floor
Washington, D.C. 20463

Re: MUR 2012

Dear Mr. Gross:

I am in receipt of your letter of August 15, 1985 enclosing the Commission's questions addressed to respondents I Love America Committee (ILAC) and Granville Graham. I would note that, although your letter indicates that a Commission Order was enclosed, it was not. Aside from your cover letter, none of the enclosures have any signature indicating that the document was "ordered" by the Commission.

My client's response to the request for additional information is currently due on Monday, August 26, 1985. I would respectfully request an additional ten (10) days, or until September 6, 1985, to file that response. I am advised that the appropriate personnel in Lynchburg are currently out of town and plan to be in and out of the office over the next several weeks. Additionally, I will find myself out of town on business a number of days over the next two weeks. I spoke with Patty Reilly on Friday, and she indicated that, since she was going to be away on vacation, my request for a time extension should be directed to you.

I look forward to your response.

Very truly yours,

C. Michael Deese

C. Michael Deese

APD

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15 AUG 19 1985 P 3:48



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 23, 1985

C. Michael Deese, Esquire
Webster, Chamberlain & Bean
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Re: MUR 2012
The I Love America Committee
Granville Graham, as treasurer

Dear Mr. Deese:

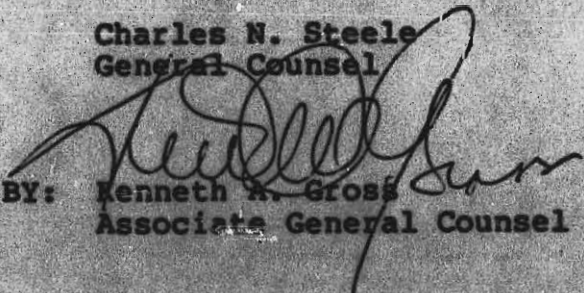
This is in reference to your letter dated August 19, 1985, requesting an extension of ten days to respond to the Commission's subpoena/order. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on September 5, 1985.

Your letter indicates that the Commission's subpoena and order was not enclosed in our August 15, 1985 correspondence to you. Enclosed please find the document. I apologize for any inconvenience caused by this omission.

If you have any questions, please contact Patty Reilly, the attorney assigned to this matter at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

BY: 
Kenneth A. Gross
Associate General Counsel

Enclosure

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

The I Love America Committee)
and Granville Graham, as)
treasurer)

MUR 2012

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Granville Graham, treasurer
The I Love America Committee
c/o C. Michael Deese, Esquire
Webster, Chamberlain, & Bean
1747 Pennsylvania Avenue N.W.
Washington, D.C. 20006

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

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

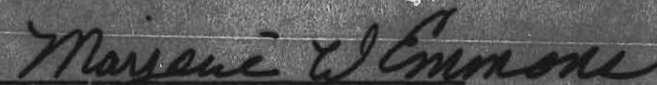
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19a

WHEREFORE, the Chairman of the Federal Election Commission
has hereunto set his hand on *Aug. 13*, 1985.


John Warren McGarry
Chairman

ATTEST:


Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions and Requested Documents

87040654452



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 23, 1985

Marion Edward Harrison, Esquire
Scott, Harrison & McLeod
2501 M Street, N.W.
Washington, D.C. 20037

Re: MUR 2012
The Old Time Gospel Hour, Inc.

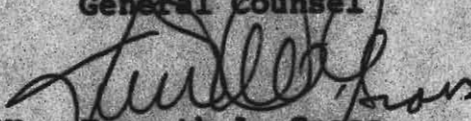
Dear Mr. Harrison:

By letter dated August 15, 1985, this office notified you that a Commission subpoena and order was being served upon your client in the above-captioned matter. Unfortunately, the subpoena and order inadvertently was left out of the correspondence. Enclosed, please find the document. I apologize for any inconvenience caused by this omission.

If you have any questions please contact Patty Reilly, the attorney assigned to this case at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

BY: 
Kenneth A. Gross
Associate General Counsel

Enclosure

87040654453

196

In the Matter of)

The Old Time Gospel Hour, Inc.) MUR 2012

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: The Old Time Gospel Hour, Inc.
c/o Marion Edwyn Harrison, Esquire
Scott, Harrison & McLeod
2501 M Street, N.W.
Washington, D.C. 20037

PURSUANT To 2 U.S.C. § 4378(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and Subpoenas you to produce requested documents.

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

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand on *Aug. 13*, 1985.

John Warren McGarry
John Warren McGarry
Chairman

ATTEST:

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

Attachment
Questions and Requested Documents

196

87040654454

LAW OFFICE

SCOTT, HARRISON & McLEOD

2501 M STREET, N.W.
WASHINGTON, D. C. 20037
(202) 861-1234
CABLE SCOTTLAW
TELEX 350-340

RECEIVED AT THE FEC
6.00# 8420
85 AUG 30 10:54

HUGH SCOTT
MARION EDWYN HARRISON
JOHN M. HIMMELBERG
MARSHALL L. MATZ
MICHAEL R. McLEOD
ALEXANDER J. PIRES, JR.
JOHN A. HARRIS
WAYNE R. WATKINSON
JEFFREY A. KNISHKOWY*

August 28, 1985

ALVIN J. GESKE
MARC ERIC MILLER
OF COUNSEL
SANDY J. BURKE
GOVERNMENT RELATIONS

*NOT ADMITTED D.C.

Patty Reilly, Esquire
Office of General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2012
The Old Time Gospel Hour, Inc.

Dear Ms. Reilly:

By letter dated August 15, 1985, your office notified us that a Commission subpoena and order was being served upon our client in the above-captioned matter. I attach a copy of my letter acknowledging receipt of same on August 19th.

Mr. Harrison is out of the country until early September. We therefore request an extension of time until September 16, 1985, to respond to the subpoena and order.

We appreciate your assistance with this matter.

Sincerely,


(Mrs.) Janet Horgen

Secretary to Mr. Harrison

Encl.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 6, 1985

Marion Edwyn Harrison, Esquire
Scott, Harrison, & McLeod
2501 M Street N.W.
Washington, D.C. 20037

RE: MUR 2012
The Old Time Gospel Hour Inc.

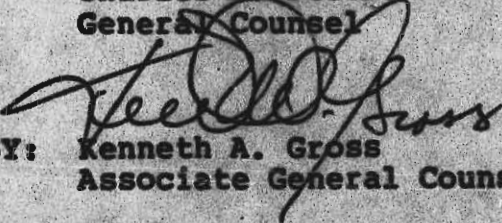
Dear Mr. Harrison:

The Office of the General Counsel is in receipt of your recent letter requesting an extension of time until September 16, 1985, to respond to the Commission's subpoena in the above-captioned matter. In light of the fact that the subpoena and order did not reach you until August 28, 1985, coupled with your absence from the country, this Office will grant a nine day extension. Accordingly, your response is due September 16, 1985.

If you have any questions please contact Patty Reilly, the attorney assigned to this matter, at 523-4143.

Sincerley,

Charles N. Steele
General Counsel


BY: Kenneth A. Gross
Associate General Counsel

87040554456

Gcc# 8610

LAW OFFICES

WEBSTER, CHAMBERLAIN & BEAN

1747 PENNSYLVANIA AVENUE, N. W.

WASHINGTON, D. C. 20006

(202) 785-9500

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
J. COLEMAN BEAN
ARTHUR L. HEROLD
ALAN P. DYE
BURKETT VAN KIRK
FRANK M. NORTHAM
C. MICHAEL DEESE
GERARD P. PANARO
JOHN W. HAZARD, JR.
BRAD D. WEISS

September 23 1985

BY HAND

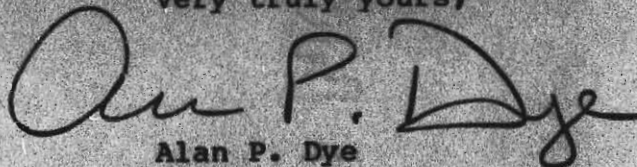
Patti Reilly, Esq.
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: I Love America Committee MUR 2012

Dear Ms. Reilly:

Attached are the I Love America Committee's Answers to Interrogatories attached to the Commission's Order of August 13, 1985, along with the Committee's Response to the Subpoena to Produce Documents.

Very truly yours,


Alan P. Dye

APD/hms

Att.

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RECEIVED
OFFICE OF THE
GENERAL COUNSEL
SEP 24 11:09

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:

The I Love America Committee
and Granville Graham, as
Treasurer

MUR 2012

RESPONDENTS' ANSWERS TO INTERROGATORIES

Respondents I Love America Committee ("ILAC") and
Granville Graham, Treasurer of ILAC, hereby respond to the
Interrogatories attached to the August 13, 1985 Order of the
Federal Election Commission.

1. Dr. Ronald S. Godwin

Rt. 2 Box 65A

AltaVista, Virginia 24517

Vice President

I Love America Committee

P.O. Box 1776

Lynchburg, Virginia 24505

2. Ministry Services Division

Thomas Nelson Publishers

Nelson Place at Elm Hill Park

P.O. Box 141000

Nashville, Tennessee 37214-1000

3. a) \$7.45 per Bible, including freight.
- b) ILAC purchased 25,740 Bibles from Thomas Nelson Publishers on December 21, 1983 for a total price of \$187,902.00, plus freight. The terms of the transaction specified payment in full within 30 days of shipment. Unpaid balances were assessed a finance charge of 1 1/2% per month.

4. Not applicable.

5. At the time the Bibles were purchased, ILAC intended to use them as premiums for those persons who fulfilled contribution pledges to ILAC of at least \$120.00 per year. Approximately 6,044 Bibles were used in this manner. Approximately 8,516 Bibles were transferred to the Old Time Gospel Hour (OTGH) and then credited to ILAC's account for services provided to ILAC to OTGH. Approximately 11,180 Bibles are still in the possession of ILAC. The entire number of Bibles was not used by ILAC for the original intended purpose (premiums for contribution pledge fulfillment) due to the fact that (1) fewer persons than had been anticipated made and fulfilled contribution pledges to ILAC and (2) OTGH offered to purchase Bibles to use as premiums for persons who had fulfilled contribution pledges to OTGH.

6. OTGH needed Bibles to send to its contributors as premiums for their fulfillment of contribution pledges to OTGH.

Dr. Ronald S. Godwin, Vice President of ILAC, suggested that ILAC sell Bibles to OTGH in an amount sufficient to satisfy OTGH's need. Following the transfer of the Bibles, OTGH provided services to ILAC, the value of which was offset against the value of the Bibles.

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The Bibles transferred by ILAC to OTGH cost ILAC \$7.45 each, including freight. That price was obtained primarily as a result of the volume of Bibles (25,740) purchased by ILAC. The transfer price between ILAC and OTGH (8,516 Bibles for \$90,000, or \$10.57 each) was higher than the price paid by ILAC, but was reasonable because (a) the Bibles were available to OTGH immediately and in whatever quantity OTGH needed, (b) the quantity actually purchased by OTGH was much smaller than that purchased by ILAC, (c) had ILAC purchased only 8,516 Bibles from Thomas Nelson Publishers, it could not have obtained them for \$7.45 each, and (d) the fair market value of the Bibles was, ILAC submits, equal to or greater than \$10.57.

The assessed price of \$10.57 was reached by mutual agreement between Dr. Ronald S. Godwin, on behalf of ILAC, and Thomas Randall Scott, on behalf of OTGH.

7. During the time period in question, no such negotiations took place due to the fact that ILAC's past experiences had shown OTGH to be competitive. OTGH's location in Lynchburg, Virginia, combined with its scheduling availability, made it the logical choice to provide services to ILAC. The names on the mailing list rented from OTGH were unique and, in the view of ILAC, likely to produce a good response to a contribution solicitation mailing. Reports filed with the Federal Election Commission by ILAC contain the names and addresses of other companies from which ILAC has purchased printing services.

8. No.

9. None.

10. The services provided to ILAC by OTGH may be described as follows:

- (a) Mailshop services: preparing, addressing and mailing educational and solicitation materials.
- (b) List rental: making available for use by ILAC the names of OTGH contributors.
- (c) Postage: the cost of postage for the mailings handled by OTGH.

Attached as Exhibit A is a chronology of the transactions between ILAC and OTGH. As is evident, at most times during the period at issue, OTGH owed money to ILAC. Because records

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maintained by the warehouse holding the Bibles in storage show that OTGH actually purchased 8,516 Bibles, the total transaction amount of \$90,000 translates into a unit cost to OTGH of \$10.57.

11. The value of the services provided by OTGH and ILAC was determined by OTGH, not ILAC. ILAC believes that it was charged (a) the face value of the postage used in the various mailings, (b) a reasonable fee of \$55.00 per thousand names for list rental, and (c) the same mailshop rates as OTGH charges other groups.

WITNESS my hand this 4th day of September, 1985.

R. S. Godwin
Ronald S. Godwin

COMMONWEALTH OF VIRGINIA)
CITY OF LYNCHBURG)

To-wit:

Before me, the undersigned Notary Public, on this 4th day of September, 1985, personally appeared DR. RONALD S. GODWIN, who being duly sworn, upon his oath stated that the above answers to written interrogatories submitted by Order of the Federal Election Commission dated August 13, 1985 are, to the best of his knowledge, true and correct.

GIVEN under my hand and seal of office this 4th day of September, 1985.

My commission expires: May 27, 1986

Ruth E. Litzgall
Notary Public



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CHRONOLOGY OF OTGH/ILAC TRANSACTIONS

<u>Date</u>	<u>Transaction</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance Due To OTGH</u>
2/16/84	OTGH provides mail-shop services to ILAC (291,808 pieces at \$16.67 per thousand)		4,864.44	4,864.44
3/12/84	OTGH takes 4,520 Bibles from ILAC (at \$10.57)	47,776.40		(42,911.96)
4/09/84	OTGH takes 850 Bibles from ILAC (at \$10.57)	8,984.50		(51,896.46)
4/12/84	OTGH takes 3,146 Bibles from ILAC (at \$10.57)	33,239.10		(85,135.56)
4/18/84	OTGH provides mailing list to ILAC (251,676 names at \$55.00 per thousand, plus tax)		14,395.87	(70,739.69)
4/30/84	OTGH pays postage for ILAC mailing		41,250.00	(29,489.69)
5/02/84	OTGH provides mail-shop services to ILAC (74,317 pieces at \$15.64 per thousand)		1,162.29	(28,327.40)
5/07/84	OTGH provides mail-shop services to ILAC (254,290 pieces at \$16.67 per thousand)		4,238.99	(24,088.41)

EXHIBIT A

87040554463

As a result, the June 30, 1984 statement from OTGH to ILAC (document number 11) is erroneous. It should have read as follows:

Purchase of Bibles (\$90,000.00)

Postage 53,983.49

List rental 14,395.87

Mail shop 12,195.40

Credit Balance (9,425.24)

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<u>Date</u>	<u>Transaction</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance Due To OTGH</u>
6/15/84	OTGH provides mail-shop services to ILAC (115,759 pieces at \$16.67 per thousand)		1,929.68	(22,158.73)
6/15/84	OTGH pays postage for ILAC mailing		12,733.49	(9,425.24)
12/06/84	ILAC payment to OTGH	6,500		(15,925.24)
12/29/84	OTGH provides mail-shop services to ILAC		2,632.35	(13,292.89)
12/29/84	ILAC payment to OTGH	2,632.35		(15,925.24)
2/14/85	ILAC payment to OTGH	10,000.00		(25,925.24)

Note: The foregoing constitute all of the actual transactions between ILAC and OTGH. ILAC internal records, and reports filed by ILAC with the Federal Election Commission, refer to the following two additional charges made by OTGH against ILAC:

6/11/84	List rental fee	12,826.44
6/14/84	Postage	12,500.00

Neither of these transactions ever occurred; the charges by OTGH were, therefore, erroneous. The 6/11/84 "transaction", referenced in the memorandum from Mr. Graham to Mr. Moon (document number 08), was in reality not a "list rental", but rather duplicative of the postage charge made on June 15, 1984. Similarly, the 6/14/84 postage charge (document number 09) was also duplicative of the June 15, 1984 postage charge.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:

The I Love America Committee
and Granville Graham, as
Treasurer

MUR 2012

RESPONDENTS' RESPONSE TO
SUBPOENA TO PRODUCE DOCUMENTS

Respondents I Love America Committee ("ILAC") and Granville Graham, Treasurer of ILAC, hereby respond to the subpoena attached to the August 13, 1985 Order of the Federal Election Commission. The documents have been numbered 01 through 14, the numbers appearing in the lower right corner of each page.

Subpoena Paragraph 1

Attached as documents numbered 01 and 02 are invoices, dated December 21, 1983, and February 29, 1984, from Thomas Nelson Publishers to ILAC.

Subpoena Paragraph 2

No such documents exist, nor are they typically generated in the ordinary course of business.

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Subpoena Paragraph 3

Attached as documents numbered 03 through 11 are the following:

<u>Doc. No.</u>	<u>Description</u>
03	2/16/84 invoice to ILAC (\$4864.44)
04	4/18/84 invoice to ILAC (\$14,395.87)
05	4/30/84 copy of OTGH check to U.S. Postmaster for postage for ILAC (\$41,250.00)
06	5/02/84 invoice to ILAC (\$1,162.29)
07	5/07/84 invoice to ILAC (\$4,238.98)
08*	6/11/84 ILAC memorandum setting forth list rental fee due to OTGH (\$12,826.44)
09*	6/14/84 copy of OTGH check to U.S. Postmaster for postage for ILAC (\$12,500.00)
10	6/15/84 invoice to ILAC (\$14,663.17)
11*	6/30/84 statement from OTGH to ILAC showing balance due to OTGH of \$15,901.20

* Documents 08, 09, and 11, marked with an asterisk, are inaccurate and do not reflect the actual transactions between ILAC and OTGH. See Exhibit A to Interrogatory Answers.

87040654467

Subpoena Paragraph 4

Attached as documents numbered 12-14 are warehouse transmittals prepared by Tomahawk Warehousing Services, Inc. and evidencing the transfer of ILAC Bibles to OTGH:

<u>Doc. No.</u>	<u>Description</u>
12	3/12/84 transfer of 4,500 Bibles
13	4/9/84 transfer of 850 Bibles
14	4/12/84 transfer of 3,146 Bibles

Subpoena Paragraph 5

No such documents exist.

87040654468

SOLD / TO:

LYNCHBURG

VA 24505

ACCOUNT NUMBER
445100101

DATE SHIPPED _____

12/21/83

SAN

PAGE

1

SHIP TO:

I LOVE AMERICA COMMITTEE 445100101
P.O. BOX 1776

LYNCHBURG

VA 24505

450

REMIT TO OUR LOCKED BOX
MINISTRY SERVICES
DRAWER 2216
NASHVILLE, TN. 37244

[illegible]

NELSON PLACE AT ELM HILL PIKE
NASHVILLE, TENNESSEE 37214-1000

THOMAS NELSON PUBLISHERS
P.O. BOX 141000
NASHVILLE, TENNESSEE 37214-1000

I LOVE AMERICA COMMITTEE
P.O. BOX 1776
LYNCHBURG VA 24505

PLEASE REMIT TO LOCK BOX
ROYAL PUBLISHERS
DRAWER 2216
NASHVILLE, TN 37244

02/29/84

PAGE 1

02/29/84 PAGE 1

445100101

445100101

D-U-N-S 00-441-4983

DATE	REF. NO.	TERMS	CHARGES	CREDITS	CK. NO.	PAYMENTS	BALANCE	REF. NO.	BALANCE
BALANCE FORWARD FROM PREVIOUS MONTH							187902.00	BALANCE	187902.00
02/21/84	048313	I 03	3549.47	PAYMENT					
02/21/84	048314	I 03	209.93	PAYMENT					
02/29/84	002915	F 03	2818.53	INTEREST					
PLEASE PAY THIS AMOUNT --->							194479.93	BALANCE	194479.93
187,902.00 3549.47 209.93 191,661.40 5,257.46 7.45 EA.									
1.5% PER MONTH LATE PAYMENT CHARGE (IF ANY) HAS BEEN APPLIED ON THE PORTION OF YOUR BALANCE THAT IS PAST DUE. CURRENT AMOUNT 6577.93 P A S 1-29 DAYS .00 D U E 30-59 DAYS 187902.00 A M O U N T S 60-89 DAYS .00 O V E R 90 .00									

1 INVOICE

2 RETURN CHECK

3

4

5

6

7

8

9

0

1

2

3

4

5

6

7

8

9

0

1

2

3

4

5

6

7

8

9

0

1

2

3

02

PLEASE PAY LAST

Bill Jarvis

DATE: February 16, 1964

ECT: MAIL SHOP COST

1. Package Name: M.M. Test Mailing #2 (IIA)
2. Quantity - ~~xxxxxx~~ 291,808 - 3rd class Bulk (10.9¢)
First Class: _____

Mail Charges:

Bursting : \$ _____
Cutting : \$ 227.61
Folding : \$ 656.57
Inserting : \$ 1,756.68
Sort/zip : \$ 1,304.38
Label Only : \$ _____
Label/zip : \$ _____
Stamping : \$ _____
Indirect : \$ _____
Cost : \$ 919.20
Maps : \$ _____

7/13/74

Total: \$ 4,864.44 \$16.67 per 1,000

Postage Cost: \$ _____

Additional Charges:

\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____

Mail Shop Cost:

\$ 4,864.44

Majority
4th Street
Lynchburg, VA 24504

Customer P.O. # 071

Job Completion Date: 4/18/84

ATTN: Jerry Skirvin

DATE: April 19, 1984

JOB: I Love America List

rk	Description	Rate	LB	Quantity	Total
10	List Rental	\$5.00	N	251,676	13,842.18

8704
54472

SLB IIAC

TAX @ 4%:

553.69

INVOICE TOTAL:

14,395.87

Jeff
Campbell

(22)

99700

4-30-1984

4-30-1984

1	2	3	4
5	6	7	8
9	10	11	12
13	14	15	16
17	18	19	20
21	22	23	24
25	26	27	28
29	30	31	32
33	34	35	36
37	38	39	40
41	42	43	44
45	46	47	48
49	50	51	52
53	54	55	56
57	58	59	60
61	62	63	64
65	66	67	68
69	70	71	72
73	74	75	76
77	78	79	80
81	82	83	84
85	86	87	88
89	90	91	92
93	94	95	96
97	98	99	100

DETACH THIS STATEMENT BEFORE DEPOSITING

OLD TIME GOSPEL HOUR

LYNCHBURG, VIRGINIA 24514

VENDOR
00700

CONTROL NUMBER
0000000000

DATE
4-30-1984

CHECK NUMBER
000000

BANK OF VIRGINIA
LYNCHBURG, VA.

88-231
614

NET AMOUNT
000000

Pay to the order of \$1,250.00 (one thousand two hundred and 00/100)

POSTMASTER

NON-NEGOTIABLE

ENTERED APR 30 1984

87

1	2	3	4
5	6	7	8
9	10	11	12
13	14	15	16
17	18	19	20
21	22	23	24
25	26	27	28
29	30	31	32
33	34	35	36
37	38	39	40
41	42	43	44
45	46	47	48
49	50	51	52
53	54	55	56
57	58	59	60
61	62	63	64
65	66	67	68
69	70	71	72
73	74	75	76
77	78	79	80
81	82	83	84
85	86	87	88
89	90	91	92
93	94	95	96
97	98	99	100

George Rogers/cbh PURCHASING
GER APPROVAL

22

JOEL PEARSON

Re: Odell Jarvis

DATE: May 2, 1981

SUBJECT: MAIL SHOP COST

ILPC

1. Package Name: M.M. ILA. - Jerry Falwell Letter

Quantity - Non - Profit: 74,317
- First Class: _____

Mail Charges:

4474
Bursting : \$ _____
Cutting : \$ _____
Folding : \$ _____
Inserting : \$ 447.38
Sort/zip : \$ 332.19
Label Only : \$ 148.63
Label/zip : \$ _____
Stamping : \$ _____
Indirect : \$ _____
Cost : \$ 234.09
Maps : \$ _____

5/16/81

credit 1316
debit 1318

5 Total: \$ 1,162.29 \$ 15.64 per 1,000

Postage Cost: \$ _____

0 Additional Charges:

7040 1. _____ \$ _____

7 2. _____ \$ _____

8 3. _____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

Total Mail Shop Cost: \$ 1,162.29

702/5105002

(22)

06

DOEL PEARSON

Odell Jarvis

DATE: May 7, 1984

SUBJECT: MAIL SHOP COST

1. Package Name: I Love America - Reagan Letter

2. Quantity - Non - Profit: 254,290
- First Class: _____

3. Mail Charges:

Bursting : \$ _____
Cutting : \$ 198.34
Folding : \$ 572.15
Inserting : \$ 1,530.82
Sort/zip : \$ 1,136.67
Label Only : \$ _____
Label/zip : \$ _____
Stamping : \$ _____
Indirect : \$ _____
Cost : \$ 801.01
Maps : \$ _____

Total: \$ 4,238.99 \$16.67 per 1,000

Postage Cost: \$ _____

Additional Charges:

1. _____ \$ _____

2. _____ \$ _____

3. _____ \$ _____

Total Mail Shop Cost:

\$ 4,238.99

1000-1318

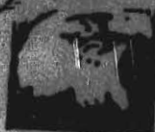
6313-5002

AG-13

202 565 00

(22)

07



I LOVE AMERICA COMMITTEE

P.O. BOX 1776 • LYNCHBURG, VIRGINIA 24505

MEMORANDUM

TO: Don Moon
FROM: Granville Y. Graham
RE: Rental Names
DATE: June 11, 1984

Our direct mail manager, Jerry Skirvin, has requested \$12,826.44 of ILAC funds for 116,604 names from the OTCH mailing list.

OTCH has payables to ILAC in excess of this amount. Could you please reduce your payables to me by applying this to our account?

Please call me if there is a problem at 528-1776.

Thank you.
GYG/ret

110.00 per m

202 5011.000
Postgr

1000-1318 12,826.44

1000-4077

12,826.44

75-13

22

08

87040654470

DETACH THIS STATEMENT BEFORE DEPOSITING

OLD TIME GOSPEL HOUR

LYNCHBURG, VIRGINIA 24514

VENDOR

CONTROL NUMBER

DATE

CHECK NUMBER

060773

6-12-84

60773

BANK OF VIRGINIA
LYNCHBURG, VA.

85-231
514

NET AMOUNT

12,500⁰⁰

TWELVE THOUSAND FIVE HUNDRED & NO/100

Post Master

NON-NEGOTIABLE

060773 1056402554 254703057

49-11

5011.000

22

0

JOEL PEARSON

DATE: June 15, 1984

FROM: Odell Jarvis

SUBJECT: MAIL SHOP COST

Bill ILAC

1. Package Name: I.L.A. Reagan Letter

2. Quantity - Non - Profit: 115,759
- First Class: _____

3. Mail Charges:

Bursting : \$ _____
Cutting : \$ 90.29
Folding : \$ 260.45
Inserting : \$ 696.86
Sort/zip : \$ 517.44
Label Only : \$ _____
Label/zip : \$ _____
Stamping : \$ _____
Indirect : \$ _____
Cost : \$ 364.64
Maps : \$ _____

5/12/84

Total: \$ 1,929.68

Postage Cost: \$ 12,733.49

Additional Charges:

1. \$ _____

2. \$ _____

3. \$ _____

Total Mail Shop Cost:

\$ 14,663.17

A9-41

202 5/125.00m

22



JERRY FALWELL

& THE OLD-TIME GOSPEL HOUR

LYNCHBURG, VIRGINIA 24514

STATEMENT

I Love America Committee
PO Box 1776
Lynchburg, VA 24505

Attention: Granville Graham

Purchase of Bibles \$(90,000.00)

Postage

List Rental

Mail Shop

Balance as of June 30, 1984

\$53,750.00

27,222.31

24,928.89

\$15,901.20

Invoice
#100

Don Moon, Accountant, OTGH

ebh

cc DeWitt Brand
Rick Huff

22

87040654479

Old Time Gospel Hour, Lynchburg

DATE 3-12-54

I Love America Committee

Customer Pick-up

UNIT NO.

SIZES NO.

NAME OF SHIPPER, DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS

WEIGHT
(LBS. TO COY.)

CLASS
OF RATE : CHARGES

Pallets Bibles (4500)

Remarks: The above is a full description of the contents of the container and is subject to inspection by the carrier.

Signature of Shipper

Signature of Agent

Signature of Carrier

Signature of Receiver

Signature of Consignee

Signature of Addressee

Signature of Shipper

Signature of Agent

Signature of Carrier

Signature of Receiver

Signature of Consignee

Signature of Addressee

Signature of Shipper

Signature of Agent

Signature of Carrier

Signature of Receiver

Signature of Consignee

Signature of Addressee

Signature of Shipper

Signature of Agent

Signature of Carrier

Signature of Receiver

Signature of Consignee

Signature of Addressee

Signature of Shipper

Signature of Agent

Signature of Carrier

Signature of Receiver

Signature of Consignee

Signature of Addressee

Signature of Shipper

87040-15-244 WAREHOUSING
SERVICES, INC.

Shipper, Per

Agent Per

OFFICE COPY

22

UNIVERSITY, Va. 24502

49.84

General

Articles Committee

Angel Bear

UNIT NO.

TO OF GRADE DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS

WEIGHT
TMS. TO CWT

CLASS
C1 117

850

39MLES

Q

8704054481

WAREHOUSING
S.E. I.C.

Shipper, Per

Agent, Per

OFFICE COPY

22

Form No. 1000

4-12

10

31-2

8

87040454482

Shipper, Per

Agent, P

via of shipper, 3,9-120 Tomahawk Industrial Park, Lynchburg, Va. 24502

22

CCC# 8627

LAW OFFICE

SCOTT, HARRISON & MCLEOD

2501 M STREET, N.W.
WASHINGTON, D.C. 20037
(202) 861-1234
CABLE SCOTTLAW
TELEX 350-340

HUGH SCOTT
MARION EDWYN HARRISON
JOHN M. HIMMELBERG
MARSHALL L. MATZ
MICHAEL R. MCLEOD
ALEXANDER J. PIRES, JR.
JOHN A. HARRIS
WAYNE R. WATKINSON
JEFFREY A. KNISHKOWY*

ALVIN J. GESKE
MARC ERIC MILLER
OF COUNSEL
—
SANDY J. FURKE
GOVERNMENT RELATIONS

September 26, 1985

*NOT ADMITTED D.C.

By hand

Patty Reilly, Esquire
Attorney
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: The Old-Time Gospel Hour, Inc.
MUR 2012

Dear Ms. Reilly:

We attach the Answers to Questions propounded to Respondent,
The Old-Time Gospel Hour, Inc. and Answers to Subpoena, with
photocopies of requested documents.

Sincerely,



MARION EDWYN HARRISON

MEH:jb

Enc

cc The Old-Time Gospel Hour, Inc.

23

87040554483

RECEIVED
GENERAL COUNSEL
SEP 26 PM 2:20

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
SEP 26 12:20

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:]
THE OLD-TIME GOSPEL HOUR,]
INC.] MUR #2012

RESPONDENT'S ANSWERS TO QUESTIONS

Question 1

Identify the person responding to these questions.

Answer

Charles G. Lowry, Esquire, Counsel, The Old-Time Gospel Hour, Inc., Lynchburg, Virginia 24514.

Question 2

Describe the negotiations conducted between Mr. Thomas Randall Scott of the Corporation [The Old-Time Gospel Hour, Inc.] and Mr. Granville Graham regarding services to be provided for

87040554484

the Committee [The I Love America Committee] by the Corporation between February 16, 1984 and June 14, 1984, including but not limited to:

a) the identity of the person(s) from whom the Corporation learned the Committee had Bibles to use as payment for services.

b) the identity of the person(s) suggesting that Bibles be used as payment for the Corporation's services.

c) the method used to assess the unit price per Bible.

d) the assessed unit price per Bible.

Answer

The negotiations were oral, at arm's length, Mr. Thomas Randall Scott, 6332 Pawnee Drive, Lynchburg, Virginia 24502, negotiating on behalf of The Old-Time Gospel Hour, Inc.

a) The Old-Time Gospel Hour, Inc. knew that the I Love America Committee from time to time purchased Bibles for use in its donor fulfillment program just as The Old-Time Gospel Hour, Inc. from time to time has used Bibles as a part of its donor fulfillment program. Hence, it is impossible to identify the

particular individual, if there is one, who first knew that the I Love America Committee had Bibles in stock. Dr. Ronald S. Godwin, Vice President, The I Love America Committee, probably first suggested to The Old-Time Gospel Hour, Inc. that the I Love America Committee would be willing to sell Bibles to The Old-Time Gospel Hour, Inc. to meet the donor fulfillment program needs of The Old-Time Gospel Hour, Inc. at a time The Old-Time Gospel Hour, Inc. was in need of Bibles.

b) Probably Dr. Ronald S. Godwin.

c) Negotiation, The Old-Time Gospel Hour, Inc. seeking a price less than it otherwise would be obliged to pay on the commercial market for a like quantity with immediate availability.

d) Approximately \$10.58.

Question 3

Describe all services performed by the Corporation for the Committee between February 16, 1984 and June 14, 1984. List the dates these services were performed.

Answer

<u>Date</u>	<u>Service</u>
Feb 16 84	Mail shop - 291,808 pieces.
Apr 18 84	Mailing list rental.
Apr 30 84	Postage advance.
May 5 84	Mail shop - 74,317 pieces.
May 7 84	Mail shop - 254,290 pieces.

Question 4

State the method used to determine the value of these services.

Answer

As to mail shop, competitive rates; as to postage advance, actual amount of postage.

Question 5

Describe the Corporation's uses of these Bibles after their

87040654487

transfer by the Committee, including but not limited to, the price for which the Bibles were sold as part of any fundraising efforts conducted by the Corporation.

Answer

Donor fulfillment. None sold.

Question 6

State whether the Corporation knew the purchase price paid by the Committee for the Bibles.

If so, state this price.

Answer

It cannot be determined whether anyone connected with The Old-Time Gospel Hour, Inc. knew the exact price The I Love America Committee had paid for the quantities of its purchase. The concern of The Old-Time Gospel Hour, Inc. was in the price to which it agreed - that is, whether the price appeared to be the lowest readily available.

Question 7

State whether the Corporation knew the source from which the

23

Committee obtained the Bibles.

If so, identify this source.

Answer

No, although The Old-Time Gospel Hour, Inc. is aware of the various sources which sell Bibles in quantity.

Question 8

State whether the Corporation, on any other occasions, has accepted goods as payment for its services.

If so, describe each such instance, including the type of goods used, the type of services rendered, the parties involved and the dates of such transactions.

Answer

None.

Charles G. Lowry
CHARLES G. LOWRY

COMMONWEALTH OF VIRGINIA }
CITY OF LYNCHBURG } ss.

16th Subscribed and sworn to before me, a Notary Public, this
day of September, 1985.

Darlene B. Madden
Notary Public

My commission expires 5-17-88.

87040654490



23

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:

THE OLD-TIME GOSPEL HOUR,
INC.

MUR #2012

RESPONDENT'S ANSWERS TO SUBPOENA

Request 1

All documents and materials relating to negotiations between the Corporation [The Old-Time Gospel Hour, Inc.] and the Committee [The I Love America Committee] for services to be rendered by the Corporation between February 16, 1984 and June 14, 1984 on behalf of the Committee.

Answer

None. Negotiations were oral and were not memorialized.

Request 2

All documents and materials evidencing all bills sent by the

Corporation to the Committee for services rendered in the above-mentioned period.

Answer

Photocopies of accounting records which reflect billings for the services of The Old-Time Gospel Hour, Inc. to the I Love America Committee are attached.

Request 3

All documents and materials relating to the transmittal of Bibles to the Corporation by the Committee.

Answer

Receiving tickets showing a total of 8,504 Bibles are attached.

Request 4

All documents and materials relating to negotiations between the Corporation by the Committee assessing a unit price per Bible.

Answer

None.

STOCK # BID18 SHIPMENT (✓) STOCK RETURN ()
DESCRIPTION Patriot's Bible
DATE RECEIVED: 4/9/84 APPEAL CODE: _____
TIME RECEIVED: 4:40 pm # CASES 858 MOUNT/CASE var
VENDOR NAME: TPS. TOTAL AMOUNT RECEIVED: 858
P. O. # TPS. RECEIVED BY: Eric (ap)
INVOICE # n/a DELIVERED BY: Eric
FULL SHIPMENT ☐ PARTIAL SHIPMENT ☒ 858 OF 2
☐ INTO INVENTORY ☒ DELIVERED TO: MO
ADDITIONAL COMMENTS: x Mail

87040554493

OTGH RECEIVING TICKET / 011267

STOCK # BIO18 SHIPMENT (X) STOCK RETURN ()

DESCRIPTION Patent's Bible
(I Love American Committee)

DATE RECEIVED: 4-12-84 APPEAL CODE: N/A

TIME RECEIVED: 11:55 AM # CASES 11 AMOUNT/CASE Various

VENDOR NAME: TPS (Moral Majority) TOTAL AMOUNT RECEIVED: 3.146

P. O. # 13564 RECEIVED BY: [Signature]

INVOICE # N/A DELIVERED BY: O.T.G.H.

FULL SHIPMENT ☐ PARTIAL SHIPMENT ☒ 3.146 OF —

☐ INTO INVENTORY ☒ DELIVERED TO: MD

ADDITIONAL COMMENTS: X

OTGH RECEIVING TICKET / 010906

STOCK # BIO18 SHIPMENT (X) STOCK RETURN ()

DESCRIPTION Patent's Bible

DATE RECEIVED: 2-12-84 APPEAL CODE: FF

TIME RECEIVED: 11:30 AM # CASES 4500 AMOUNT/CASE 1

VENDOR NAME: I Love American Comm. TOTAL AMOUNT RECEIVED: 4500

P. O. # Na RECEIVED BY: STEVE HUGHES

INVOICE # Na DELIVERED BY: O.T.G.H.

FULL SHIPMENT ☐ PARTIAL SHIPMENT ☒ 4500 OF ?

☒ INTO INVENTORY ☐ DELIVERED TO: LOT TRAILER

ADDITIONAL COMMENTS: 18 SKIDS @ 256
1 SKID @ 210 2 - TED SQUARES
1 - OFFICE

87040654495

000

0.00 #

000

0.00 #

4,001.44 # +
1,162.29 +
- 4,238.99 +
14,663.17 +

004

24,928.89 #

000

0.00 #

000

0.00 #

50,000.00 # +
12,500.00 -
41,250.00 -
14,395.87 -
12,826.44 -
- 4,864.44 -
1,162.29 -
4,238.99 -
14,663.17 -

009

15,901.20 #



& THE OLD-TIME GOSPEL HOUR

LYNCHBURG, VIRGINIA 24501

STATEMENT

I Love America Committee *QAC*
PO Box 1776
Lynchburg, VA 24505

Attention: Granville Graham

Purchase of Bibles	\$(90,000.00)	
Postage		\$53,750.00
List Rental		27,222.31
Mail Shop		24,928.89
Balance as of June 30, 1984		\$15,901.20

Don Moon, Accountant, OTGH

cbh

cc DeWitt Braud
Rick Huff

23

305 SIXTH STREET
LYNCHBURG, VA 24504
(804) 528-5000

SHIPPED TO:

MR. DON MOON
OLD TIME GOSPEL HOUR
LANGHORNE ROAD
LYNCHBURG, VIRGINIA

YOUR P.O. NUMBER	ORDER DATE	INVOICE DATE	REFERENCE	INVOICE NO.	
		6/22/84		19	
DESCRIPTION				PRICE	AMOUNT

BIBLES

\$ 12 \$ 90,000

87040554497

75-12

OIC
825-
6/25

PLEASE PAY
THIS AMOUNT

\$ 90,000.00

PAYMENT DUE UPON RECEIPT

Customer

2 - Remittance Advice

3 - Accounting

23

Postage for I L A C

12.50

DETACH THIS STATEMENT BEFORE DEPOSITING

OLD TIME GOSPEL HOUR

LYNCHBURG, VIRGINIA 24514

BANK OF VIRGINIA
LYNCHBURG, VA.

68-231
514

VENDOR

CONTROL NUMBER

DATE

CHECK NUMBER

060773

60773

12.500

TWELVETHOUSAND five hundred & 100

NON-NEGOTIABLE

#060773# 060773# 060773# 060773# 060773#

8 7 0 4 0 5 4 4 9 8

89-11

23

DETACH THIS STATEMENT BEFORE DEPOSITING

OLD TIME GOSPEL HOUR

LYNCHBURG, VIRGINIA 24514

BANK OF VIRGINIA
LYNCHBURG, VA.

88-231
514

CHECK NUMBER

41,250

NON-NEGOTIABLE

ENTERED APR 30 1988

ORIGINATOR George Rogers/cbh

PURCHASING

DEPT. MANAGER

APPROVAL

Purchasing Office

23

hours, VA 24504

Job Completion Date: 4/18/84

ATTN: Jerry Skirvin

ICE DATE: April 19, 1984

JOB: I Love America List

	Description	Rate	Quantity	TOTAL
10	List Rental	53.000	m 251,676	13,842.18

54500
87040

Hoff
Campbell

SLB ILAC

TAX @ 4%: 553.69

INVOICE TOTAL: 14,395.87

23

MEMORANDUM

TO: Don Moon
FROM: Granville Y. Graham
RE: Rental Names
DATE: June 11, 1984

Our direct mail manager, Jerry Skirvin, has requested \$12,826.44 of ILAC funds for 116,604 names from the OTGH mailing list.

OTGH has payables to ILAC in excess of this amount. Could you please reduce your payables to me by applying this to our account?

Please call me if there is a problem at 528-1776.

Thank you.
GYG/ref

[Signature]

110.00 per M

1000-1318

12,826.44

1000-4077

12,826.44

[Signature]

AG-13

87043654501

Package Name: M.M. Test Mailing #2 (TIA)

Quantity - ~~Boxxxxxxxxx~~ 291.808 - 3rd class Bulk (10.9¢)
- First Class: _____

Mail Charges:

Bursting	:	\$	_____
Cutting	:	\$	<u>227.61</u>
Folding	:	\$	<u>656.57</u>
Inserting	:	\$	<u>1,756.68</u>
Sort/zip	:	\$	<u>1,304.38</u>
Label Only	:	\$	_____
Label/zip	:	\$	_____
Stamping	:	\$	_____
Indirect	:	\$	_____
Cost	:	\$	<u>919.20</u>
Maps	:	\$	_____

Total:

\$ 4,864.44

\$16.67 per 1,000

Postage Cost:

\$ _____

Additional Charges:

1. 54
2. 040
3. 87040

\$ _____

\$ _____

\$ _____

Total Mail Shop Cost:

\$ 4,864.44

23

ILPC

Package Name: M.M. ILA. - Jerry Falwell Letter

Quantity - Non - Profit: 74,317
- First Class: _____

Mail Charges:

Bursting	:	\$	_____
Cutting	:	\$	_____
Folding	:	\$	_____
Inserting	:	\$	<u>447.38</u>
Sort/zip	:	\$	<u>332.19</u>
Label Only	:	\$	<u>148.63</u>
Label/zip	:	\$	_____
Stamping	:	\$	_____
Indirect	:	\$	_____
Costs	:	\$	<u>254.09</u>
Maps	:	\$	_____

Total:

\$ 1,162.29

\$ 15.64 per 1,000

Postage Cost:

\$ _____

Additional Charges:

0 _____ \$ _____

4 _____ \$ _____

0 _____ \$ _____

7 _____ \$ _____

8 _____ \$ _____

_____ \$ _____

_____ \$ _____

Total Mail Shop Cost:

\$ 1,162.29

credit 1316
debit 1318

SUBJECT: MAIL SHOP COST

1. Package Name: I Love America - Reagan Letter

2. Quantity - Non - Profit: 254,290
- First Class: _____

3. Mail Charges:

Bursting	:	\$	_____
Cutting	:	\$	<u>198.34</u>
Folding	:	\$	<u>572.15</u>
Inserting	:	\$	<u>1,530.82</u>
Sort/zip	:	\$	<u>1,136.67</u>
Label Only	:	\$	_____
Label/zip	:	\$	_____
Stamping	:	\$	_____
Indirect	:	\$	_____
Cost	:	\$	<u>801.01</u>
Maps	:	\$	_____

Total: \$ 4,238.99 516.67 per 1,000

Postage Cost: \$ _____

Additional Charges:

1. \$ _____

4. \$ _____

7. \$ _____

8. \$ _____

3. \$ _____

Total Mail Shop Cost:

\$ 4,238.99

1000-1318

6313-5002

AG13

Bill ILAC

Package Name: I.L.A. Reagan Letter

Quantity - Non - Profit: 115,759

- First Class: _____

Mail Charges:

Bursting : \$ _____
Cutting : \$ 90.29
Folding : \$ 260.45
Inserting : \$ 696.86
Sort/zip : \$ 517.44
Label Only : \$ _____
Label/zip : \$ _____
Stamping : \$ _____
Indirect : \$ _____
Cost : \$ 364.64
Maps : \$ _____

Total: \$ 1,929.68

Postage Cost: \$ 12,733.49

Additional Charges:

1. 0 _____ \$ _____
4. 0 _____ \$ _____
0. 0 _____ \$ _____
2. 7 _____ \$ _____
8. _____ \$ _____
3. _____ \$ _____
_____ \$ _____

Total Mail Shop Cost: \$ 14,663.17

A9-41

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

The Old Time Gospel Hour, Inc.)

The I Love America Committee)
and Granville Graham, as)
treasurer)

MUR 2012

CG JAN 27 P5:30

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRET
SENSITIVE

GENERAL COUNSEL'S REPORT

The Office of General Counsel is prepared to close the investigation in this matter as to The Old Time Gospel Hour, Inc., and the I Love America Committee and Granville Graham, as treasurer, based on the assessment of the information presently available.

24 Jan 1986
Date


Charles N. Steele
General Counsel

87040554506



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 5, 1986

Marion Edwyn Harrison, Esquire
Scott, Harrison & McLeod
2501 M Street, N.W.
Washington, D.C. 20037

RE: MUR 2012
The Old Time Gospel Hour, Inc.

Dear Mr. Harrison:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by your client the Federal Election Commission, on May 22, 1985, found reason to believe that your client had violated 2 U.S.C. § 441b(a), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

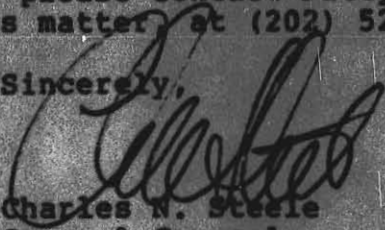
87040654507

Marion Edwyn Harrison, Esquire
Page 2

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Patty Reilly, the attorney assigned to handle this matter, at (202) 523-4143.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

87040654508

In the Matter of)
The Old Time Gospel Hour, Inc.) MUR 2012

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

Pursuant to information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities, on May 22, 1985, the Commission found reason to believe the Old Time Gospel Hour, Inc. ("the Corporation") violated 2 U.S.C.

§ 441b(a). Underlying this finding were the reports of the I Love America Committee ("the Committee") noting the Committee's receipt of \$90,000 from the Corporation.^{1/} During the course of its investigation, the Commission sent the Corporation two sets of interrogatories.

Responses to these interrogatories indicate that in December, 1983, the Committee purchased 25,740 Patriot's Bibles from a vendor selling such goods in the ordinary course of its business. The Committee states it paid \$187,902, plus freight, at a unit cost of \$7.45 per Bible. The Committee intended to use these Bibles in its fundraising efforts,

^{1/} Prior to this finding, the Reports Analysis Division of the Commission questioned the Committee's reports noting this transaction. Responding to this inquiry by a letter dated February 14, 1984, the Committee stated it did not believe a corporate contribution had occurred, but nevertheless promised to repay the \$90,000. The Committee attached a copy of a check for \$10,000 as an initial repayment, promising to repay the full \$90,000 upon completion of a fundraising drive. Notwithstanding this representation no repayments were made. The Committee's later reports indicate that the \$10,000 was a payment on account.

Subsequently, in early 1984, following an apparently unsuccessful fundraising effort, the Committee and the Corporation reached an agreement whereby the Committee transferred 8,504 Bibles to the Corporation in exchange for a credit of \$90,000. Between March and December 1984, the Corporation provided printing and mailshop services to the Committee thereby liquidating the Committee's credit balance. The Corporation admits that the \$90,000 credit constituted a unit cost per Bible of \$10.58. The Corporation admits this unusual transaction was carried out at the behest of the Committee, and that the Corporation had never previously accepted goods of any sort as payment for its services. The Corporation admits it used the Bibles as part of its own fundraising efforts. Thus, the Corporation provided \$90,000 in services in exchange for Bibles for which the Committee had previously used in its fundraising efforts.

II. LEGAL ANALYSIS

The Act prohibits corporations from contributing to political committees. 2 U.S.C. § 441b(a). A contribution includes "anything of value" made to any organization in connection with a federal election. 2 U.S.C. § 441b(b)(2). The Commission has specifically stated that the sale of a fundraising asset by a political committee to a corporation results in a prohibited corporate contribution. See AO 1979-76. The amount of such a contribution is the full purchase price paid by the corporation, regardless of whether the committee sells its assets at cost or at a loss. Id. Similarly, a committee

87040654510

exchanging fundraising assets for a credit on corporate books for services to be performed at a later date, receives a prohibited corporate contribution for the full amount of the credit.

In the instant case, the Committee used the Bibles in the course of its fundraising. The Committee exchanged Bibles for a \$90,000 credit provided by the Corporation. Both the Bibles and the services constitute a thing of value within the meaning of § 441b(b)(2). Thus, the Committee accepted a prohibited corporate contribution of \$90,000.

In light of the foregoing, this Office recommends that the Commission find probable cause to believe the Old Time Gospel Hour Inc. violated 2 U.S.C. § 441b(a).

III. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find probable cause to believe that the Old Time Gospel Hour, Inc. violated 2 U.S.C. § 441b(a).

4 March 1986
Date


Charles N. Steele
General Counsel

87040654511



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 5, 1986

C. Michael Deese, Esquire
Webster, Chamberlain & Bean
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

RE: MUR 2012
The I Love America Committee
and Granville Graham, as
treasurer

Dear Mr. Deese:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by your clients the Federal Election Commission, on May 22, 1985, found reason to believe that your clients had violated 2 U.S.C. § 441b(a), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

87040354512

C. Michael Deese, Esquire
Page 2

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Patty Reilly, the attorney assigned to handle this matter, at (202) 376-8200.

Sincerely,


Charles W. Steele
General Counsel

Enclosure
Brief

87040354513

In the Matter of)
)
 The I Love America Committee) MUR 2012
 and Granville Graham, as)
 treasurer)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

Pursuant to information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities, on May 22, 1985, the Commission found reason to believe the I Love America Committee ("the Committee") and Granville Graham, as treasurer, violated 2 U.S.C. § 441b(a). Underlying this finding were the Committee's reports on file with the Commission which noted the Committee's receipt of \$90,000 from the Old Time Gospel Hour, Inc. ("the Corporation").^{1/} During the course of its investigation, the Commission sent the Committee two sets of interrogatories.

Responses to these interrogatories indicate that in December, 1983, the Committee purchased 25,740 Patriot's Bibles from Thomas Nelson Publishers, a vendor selling such goods in the ordinary course of its business. The Committee states it paid \$187,902, plus freight, at a unit cost of \$7.45 per Bible. The Committee intended to use these Bibles in fundraising efforts.

^{1/} Prior to this finding, the Commission's Reports Analysis Division questioned the Committee's reports noting this transaction. Responding to this inquiry by letter dated February 14, 1985, the Committee admitted receiving \$90,000 from the Corporation and stated it did not believe a corporate contribution had occurred, but nevertheless promised to repay the \$90,000. The Committee attached a copy of a check for \$10,000 as an initial repayment, promising to repay the full \$90,000 upon completion of a fundraising drive. Notwithstanding this representation, no repayments were made. The Committee's later reports indicate that the \$10,000 was a payment on account.

Subsequently, in early 1984, following an apparently unsuccessful fundraising effort, the Committee and the Corporation reached an agreement whereby the Committee transferred Bibles to the Corporation in exchange for a credit of \$90,000.^{2/} Between March and December, 1984, the Corporation provided printing and mailshop services to the Committee, thereby liquidating the Committee's credit balance. The Committee admits that the \$90,000 credit constituted a unit cost per Bible of \$10.57.

The use of the Bibles for payment was made at the behest of the Committee, and is the only occasion that the Committee has ever exchanged goods for services. The Committee did not seek any other vendor for the services performed by the Corporation, nor did it request any other vendor at any time take Bibles as payment. The Committee admits it offered the Bibles to the Corporation because it was aware that the Corporation used Bibles for its own fundraising efforts. In sum, the Committee received \$90,000 in services by selling a fundraising asset for which it had paid approximately \$63,000.

II. LEGAL ANALYSIS

The Act prohibits corporations from contributing to political committees. 2 U.S.C. § 441b(a). A contribution includes "anything of value" made to any organization in

^{2/} The Committee's Second Response to Interrogatories admits transferring differing totals of Bibles. The amount exchanged was either 8,516 (page 3 and Exhibit A) or 8,496 (Exhibit 12-14). The Corporation states it received 8,504 Bibles.

connection with a federal election. 2 U.S.C. § 441b(b)(2). The Commission has specifically stated that the sale of a fundraising asset by a political committee to a corporation results in a prohibited corporate contribution. See AO 1979-76. The amount of such a contribution is the full purchase price paid by the corporation to the committee, regardless of whether the asset is sold at cost or at a loss. Id. Similarly, a committee exchanging fundraising assets for a credit on corporate books for services to be performed at a later date, receives a prohibited corporate contribution for the full amount of that credit.

In the instant case, the Committee used Bibles as part of its fundraising operations. The Committee exchanged these Bibles for a \$90,000 credit provided by the Corporation. Both the Bibles and the services eventually performed constitute a thing of value within the meaning of § 441b(b)(2). Thus, the Committee accepted a prohibited corporate contribution of \$90,000.

In light of the foregoing, this Office recommends that the Commission find probable cause to believe the I Love America Committee and Granville Graham, as treasurer violated 2 U.S.C. § 441b(a).

III. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find probable cause to believe that the I Love America Committee and Granville Graham, as treasurer, violated 2 U.S.C. § 441b(a).

4 March 1981
Date:



Charles N. Steele
General Counsel



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE REC
COMMISSION SECRETARY

06 MAR **SENSITIVE**

March 6, 1986

MEMORANDUM

TO: The Commission
FROM: Charles N. Steele *[Signature]*
General Counsel
SUBJECT: MUR # 2012

Attached for the Commission's review are briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. Each respondent was mailed a copy of their brief and a letter notifying the respondents of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe on March 5, 1986. Following receipt of the Respondents' replies to these notices, this Office will make a further report to the Commission.

Attachments

1. Briefs
2. Letters to Respondents

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87040654518

Attachment(s) _____

to 3-6-86 Memo

have been removed from this
position in Public Record File.

See Index Item(s) 25, 26

CCT 9953

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
J. COLEMAN BEAN
ARTHUR L. HEROLD
ALAN P. DYE
BURKETT VAN KIRK
FRANK M. NORTHAM
C. MICHAEL DEESE
GERARD P. PANARO
JOHN W. HAZARD, JR.
BRAD D. WEISS
CHARLES M. WATKINS
PETER J. CINQUEGRANI

LAW OFFICES
WEBSTER, CHAMBERLAIN & BEAN
1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20006
(202) 785-9500

36 MAR 11 P 4:50

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

March 11, 1986

BY HAND

Kenneth A. Gross
Associate General Counsel
Federal Election Commission
Sixth Floor
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2012

Dear Mr. Gross:

I am directing to you my request for an extension of time within which to respond to the General Counsel's Brief in the above-referenced proceeding because of a telephone conversation I had earlier today with Patty Reilly. When I merely asked Ms. Reilly whether a request for an extension should be made in the form of a letter to her, she responded that "you already had an extension of time." When I pointed out that the previous extension was granted in 1985 and concerned a response to a documentary subpoena and detailed interrogatories, she said that did not matter. As far as she was concerned, we would have a difficult time justifying a time extension now.

I find it incredible that such an attitude would be displayed by a member of your staff, especially in view of the fact that, for all Ms. Reilly knows, I could be tied up in a trial for the next two weeks.

The fact of the matter is that, when we responded to the Commission's subpoena last September, I did not know to block out time in the middle of March, 1986 (6 months later) to prepare

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28

WEBSTER, CHAMBERLAIN & BEAN

Kenneth A. Gross
March 11, 1986
Page Two

a response to the General Counsel's Brief. As it is, I do have a busy schedule over the next several weeks, including several trips out of town on business matters. There is no one else in my office who is sufficiently educated on this matter to be able to draft an appropriate response.

I received your letter of March 5 on March 6; thus, my client's response is currently due on March 21, 1986. I would request an additional twenty (20) days, or until April 10, 1986, within which to respond. I will look forward to your reply.

Very truly yours,



C. Michael Deese

CMD:aj

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 12, 1986

C. Michael Deese, Esquire
Webster, Chamberlain, & Bean
1747 Pennsylvania Avenue N.W.
Washington D.C. 20006

Re: MUR 2012
The I Love America Committee
and Granville Graham, as treasurer

Dear Mr. Deese:

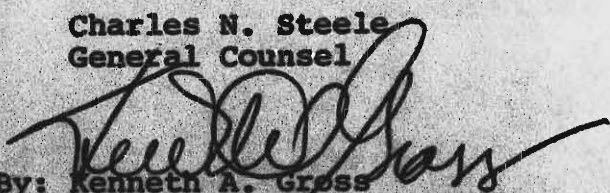
The Office of the General Counsel is in receipt of your recent letter requesting an extension of time to respond in the above-captioned matter. After considering the circumstances as detailed in your request, this Office will grant the requested 20 day extension. Accordingly, your response is due no later than April 10, 1986.

Your letter also references a March 11, 1986 telephone conversation with Patty Reilly of this Office in which Ms. Reilly stated that extensions of time are not granted automatically, but only where good cause is shown, and that such good cause must be demonstrated in a request. Ms. Reilly's representations are correct: this Office's extension of time policy is geared to the prompt resolution of MURs. Accordingly, your previous extension of time in this matter is a concern in a second extension request in the same MUR.

If you have any questions please direct them to Ms. Reilly at 376-8200.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

QCC# 109

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:

THE OLD-TIME GOSPEL HOUR,
INC.

MUR #2012

86 MAR 31 PM 4:40

PEOPLE'S
GENERAL COUNCIL

MATERIAL FACTS NOT GENUINELY IN DISPUTE^{1/}

1. The I Love America Committee ("Committee") is a multi-candidate political action committee registered with the Federal Election Commission.
2. The Old-Time Gospel Hour, Inc. ("Respondent") is a corporation; conducts no political activity; and is not registered with the Federal Election Commission.
3. In or about December 1983 the Committee ordered and purchased in bulk 25,740 Bibles from Thomas Nelson Publishers, Nashville, Tennessee, a wholesale printer, publisher and vendor of Bibles, at a total cost of \$187,902.00, plus freight, which

^{1/}Not all the facts recited herein are material but some are included for completeness.

equates to \$7.30 per Bible, plus freight. The transaction was in the normal course of business. See invoices.

4. The Committee purchased the Bibles for use in the Committee's donor fulfillment program but did not use the full quantity for that purpose and, therefore, accumulated an inventory.

5. From time to time, in the normal course of business, Respondent at competitive rates provided commercial mailing and related services to the Committee.

6. Respondent knew that the Committee from time to time purchased Bibles for use in the Committee's donor fulfillment program. Respondent from time to time also used Bibles in Respondent's donor fulfillment program. One cannot identify with certainty the particular individual, if there be one, who first informed Respondent that the Committee had in stock an inventory of Bibles excess to the Committee's current needs. The Committee's Vice President probably first suggested to Respondent that the Committee would be willing to sell Bibles to Respondent to meet Respondent's donor fulfillment needs at a time when Respondent required Bibles for that purpose. Respondent's Sworn Answers to Questions, September 16, 1985 ("Questions").

7. Negotiations, at arm's length, ensued between the Committee and Respondent. Questions.

8. Negotiations were oral and were not memorialized. Respondent's Answers to Subpoena, September 16, 1985 ("Subpoena").

9. Respondent's negotiating concern was in obtaining the Bibles at a price which appeared to be the lowest readily available. Questions.

10. In those negotiations Respondent sought a price less than Respondent otherwise would be obliged to pay in the commercial market for a like quantity with immediate availability. Questions.

11. Respondent agreed to purchase in bulk 8,500 Bibles for \$90,000.00, equating to an average net cost of \$10.59 per Bible.^{2/} Subpoena.

^{2/} There may be a discrepancy in records as to whether 8,516, 8,508 or 8,500 Bibles actually were received for the sum of \$90,000.00. Respondent's receiving records reflect 8,504 Bibles. The differences are de minimis. \$90,000.00 divided by 8,516 = \$10.57 per Bible; by 8,504 = \$10.58; by 8,500 = \$10.59.

12. Respondent utilized the Bibles Respondent purchased from the Committee for donor fulfillment. Respondent sold none of them. Questions.

13. In view of the ledger obligations of the parties and their relative cash positions, Respondent and the Committee agreed that Respondent would credit the Committee the sum of \$90,000.00 rather than forthwith paying over that sum to the Committee.

14. Respondent advanced nothing to the Committee. The Committee advanced the Bibles, of a value of \$90,000.00, to Respondent.

15. The bulk fair market value of the Bibles at the time of purchase by Respondent from the Committee was greater than \$12.00 (and hence, greater than \$10.59) per Bible for the quantity purchased.^{3/} Affidavit of Thomas Nelson Publishers. Attachment One.

16. Between February 16, 1984 and June 14, 1984, Respondent performed the following services for the Committee.

^{3/} Respondent also obtained immediate delivery, having bought from the Committee's inventory. Hence, there was no waiting period for printing.

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<u>Date</u>	<u>Service</u>
Feb 16 84	Mail Shop - 291,808 pieces
Apr 18 84	Mailing List Rental
Apr 30 84	Postage Advance
May 5 84	Mail Shop - 74,317 pieces
May 7 84	Mail Shop - 254,290 pieces

Questions.

17. Respondent charged the Committee competitive commercial rates for its mail shop. Respondent priced postage as a passthrough. Questions.

18. Invoices from Respondent to the Committee and accounting records supporting those invoices reflect as of June 30, 1984 services performed by Respondent for the Committee (including a postage passthrough of \$53,750.00) totalling \$105,901.20, or \$15,901.20 in excess of the \$90,000.00 credited by the Committee to Respondent for purchase of the Bibles. Subpoena.



MARION EDWYN HARRISON
Counsel for Respondent

SCOTT, HARRISON & McLEOD
2501 M Street, N.W.
Fourth Floor
Washington, D.C. 20037
202 861-1234

March 31, 1986



THOMAS NELSON PUBLISHERS

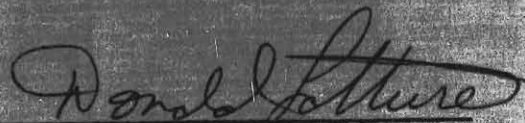
Nelson Place at Elm Hill Pike, P.O. Box 141000 Nashville, Tenn., 37214-1000

March 28, 1986

Mr. Marion Harrison
Scott, Harrison & McCloud
2501 M Street, N.W.
4th Floor
Washington, D.C. 20037

Sir:

Thomas Nelson Publishers produces a Family Bible, the 701PE. Based on February 1984 printing and binding costs, for a total of 8,500 units, the price would exceed \$12.00 per unit at those quantities.



Donald Latture
Manager, Administrative Services



Notary Public

My Commission Expires April 19, 1987

ATTACHMENT ONE

Telephone 615-889-9000

87040654527

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:

THE OLD-TIME GOSPEL HOUR,
INC.

MUR #2012

36 MAR 31 P 4:48

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

RESPONDENT'S BRIEF

I. Facts

The facts may be summarized as follows. Respondent's Statement of Material Facts Not Genuinely in Dispute, attached.

The I Love America Committee ("Committee"), a political committee, and Respondent, a nonpolitical corporation, transacted business consisting of Respondent's providing commercial mail shop and related services for the Committee.

In 1984 the Committee had in inventory a surplus of Bibles which it had ordered and purchased in the normal course of business in a huge quantity and at an advantageous bulk rate.

Respondent learned from the Committee of the Committee's inventory. Respondent had immediate use for the Bibles. The

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parties negotiated at arm's length, resulting in a purchase in bulk of a portion of the Committee's inventory. Respondent purchased the bulk quantity at a lesser price than Respondent would be obliged to pay in the commercial market for a like quantity. Respondent also obtained immediate availability.

In view of the ledger obligations of the parties and their relative cash positions, Respondent and the Committee agreed that the Committee would credit Respondent the purchase price rather than Respondent's forthwith paying over that sum to the Committee. Within a period of approximately four months Respondent provided competitively priced commercial services to the Committee in excess of the full purchase price of the Bibles.

II. Issue

The General Counsel's statement of the issue, not stated as an issue but rather as a somewhat circular argument, appears to be thus: Does the bulk sale to Respondent of assets (Bibles) originally purchased for fundraising donor fulfillment by the Committee result in a prohibited corporate contribution?

III. Argument

There is no question that Respondent, a corporation, may not contribute lawfully to the Committee, a political committee, "... anything of value . . . in connection with any [federal] election . . ." 2 USC §441(b)(2).

Ignoring (but reserving) the necessary nexus with a federal election, one addresses the threshold question to determine whether Respondent made a contribution to the Committee.

Plaintiff cites as its sole authority AO 1979-76 (January 22, 1980), arguing erroneously that "[t]he Commission has specifically stated that the sale of a fundraising asset by the political committee to a corporation results in a prohibited corporate contribution."

Respondent respectfully suggests that AO 1979-76 is reasoned incorrectly and would not be expected to be upheld in a court of law. However, one need not reach that question inasmuch as the facts at hand materially differ from those in AO 1979-76.

In AO 1979-76 the Commission expresses its opinion with respect to a political committee which originates, writes and publishes a book which the Committee intends to sell at a profit. Contemplating "a time when disposal and cost recovery may be more

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important than profit", the Committee therein enquires "... if there are any circumstances under which the Committee could accept payment for book sales via a corporate check."

Circumscribing its opinion, the Commission opines that "under the circumstances [the Committee] describe[s]," the Committee could not sell books to a corporate purchaser.

The book at issue in AO 1979-76 is not an ordinary commercial or religious item. Rather, it is one of three books originated, written and published by the Committee for the sole purpose of fundraising.

To come within the ambit of AO 1979-76, the Committee herein must have "acquired or developed for general fundraising purposes" a particular thing of value. The Committee has not done so. Rather, the Committee has ordered and purchased in bulk an edition of the best-selling book of all time, the Bible, and in turn has sold in bulk a portion of its inventory to Respondent, each a normal commercial transaction.

At the risk of appearing to profane the Bible, one must concede that the Bible qua book is a common, ordinary and even mundane item, ubiquitously available in both religious and secular milieu, including, inter alia, millions of commercial hotel rooms around the world.

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That an edition of the Bible printed, sold and distributed by the millions by a major wholesale publisher could be considered a fundraising item and therefore enveloped within the prohibitions of the Federal Election Act envisions an absurdity neither found in the statute nor likely to be attributed to, or to achieve, any legislative purpose.

The statute prohibits contributions by corporations to political committees and realistically includes articles of value in the definition of a contribution. There is no hint in the statute, in its legislative history or in any adjudicated case that it is made unlawful for a corporation to purchase in bulk and in an arm's length transaction, at fair commercial value, a portion of the nonpolitical inventory of a political committee.

Reserving an obvious First Amendment argument for judicial attention, Respondent only notes at this juncture that the practical effect of the application of the General Counsel's rationale would be to prohibit a political committee from selling under any circumstance any nonpolitical inventory or other asset to a corporation. Thus, a political committee could not sell,

for example, surplus office equipment, furniture, motor vehicles or real estate.^{1/}

Regardless of one's view of the rational strength of AO 1979-76, the Commission carefully limits AO 1979-76 applicability to the circumstances therein described and that limitation suffices to except the AO 1979-76 rationale from the facts at issue.^{2/}

^{1/} Further, although one need not address the question, in view of the continuing business relationship between the Committee and Respondent, under the General Counsel's rationale, the Committee and a corporation could not carry on commercial business in whole or in part by cash, by barter or by the very common method of ledger balances. In the facts at issue, a straw man transaction would be necessary, whereby, after arm's length price negotiation, the Committee first sells a portion of its Bibles in bulk to a factor or other intermediary, which in turn sells, upon the same credit, but doubtless with a commission, the same bulk package to Respondent, with the same ensuing crediting to the intermediary account of the competitive value of Respondent's commercial work for the Committee. This subterfuge would be lawful, complicated and absurd.

^{2/} AO 1979-76 cites AO 1975-15 (September 24, 1975); AO 1979-17 (July 16, 1979); AO 1979-24 (July 13, 1979) and AO 1979-18 (June 5, 1979). None addresses the instant facts. AO 1975-15 speaks to the value of a purchase from a political committee of a fundraising item - namely, candidate photographs, facsimile signatures and the like. AO 1979-17 holds, by a 4 - 2 vote, that a prohibited contributor (bank) may not pay fees and mailing services for a credit card program to benefit a political committee. AO 1979-24 holds that a political committee may sell surplus commercial items (yard sign stakes) as a part of its winding up. AO 1979-18 expresses the view that a political committee may sell its contributors lists but that the receipts would be a contribution if the lists were sold for more than the going rate. A reading of these advisories, the only opinions cited in AO 1979-76, tends further to illustrate the Commission's intent to limit AO 1979-76 to its facts.

IV. Conclusion

Respondent purchased from the Committee, in bulk, in the normal course of business, for a competitive price, and for immediate delivery, a common and inherently nonpolitical asset - some 8,500 Bibles. Such commercial transaction is not a "contribution" by Respondent to the Committee.



MARION EDWYN HARRISON
Counsel for Respondent

SCOTT, HARRISON & McLEOD
2501 M Street, N.W.
Fourth Floor
Washington, D.C. 20037
202 861-1234

March 31, 1986

BEFORE THE FEDERAL ELECTION COMMISSION

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OFFICE OF THE
GENERAL COUNSEL
86 MAR 31 4:48

In the Matter of:

THE OLD-TIME GOSPEL HOUR,
INC.

MUR #2012

MATERIAL FACTS CONTROVERTED

1. Contention: "[T]he Committee purchased 25,740 Patriot's Bibles . . . in the ordinary course of its business. The Committee states it paid \$187,902.00, plus freight, at a unit cost of \$7.45 per Bible."

Fact: While the Committee may have so stated, the unit cost to the Committee equates to \$7.30, not \$7.45. More significantly, the transaction was a bulk transaction. Thus, while one readily can ascertain cost per Bible from a bulk transaction, it is erroneous, absent supporting evidence, to say that in a bulk transaction a purchaser pays so much per unit.

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2. Contention: "[T]he Committee and [Respondent] reached an agreement whereby the Committee transferred 8,504 Bibles to [Respondent] in exchange for a credit of \$90,000.00." Also in one paragraph of the word "admits" and the juxtaposition of Respondent. Fact: The contention, while literally accurate, is oddly phrased and subject to misinterpretation. Respondent purchased and received the Bibles. The purchase price credit ran to the Committee from Respondent, not vice versa.

3. Contention: "[Respondent] admits this unusual transaction was carried out at the behest of the Committee . . ."

Fact: All prior transactions had been either cash or ledger entries. The instant transaction was a ledger entry. Ledger entries are common, not unusual, among commercial entities dealing over time with one another.

Further, the transaction was not carried out "at the behest of the Committee". Rather, the Committee suggested the transaction to Respondent and Respondent in due course entered into price negotiations.

4. Contention: "[Respondent] admits [Respondent] used the Bibles as part of its own fundraiser [sic] efforts."

Marion Edwyn Harrison

MARION EDWYN HARRISON
Counsel for Respondent

SCOTT, HARRISON & McLEOD
2501 M Street, N.W.
Fourth Floor
Washington, D.C. 20037
202 861-1234

March 31, 1986

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Fact: The contention is incomplete and irrelevant. Having purchased the Bibles, Respondent was under no inhibition as to how Respondent utilized them. The use, twice in one paragraph, of the verb "admits" and the juxtaposition of Respondent's nonpolitical fundraising activities with the Committee's political fundraising activities inaccurately insinuates conspiratorial or unlawful overtones. A fact is not inherently more significant because a party "admits" it.

5. Contention: "[Respondent] provided \$90,000.00 in services in exchange for Bibles for which [sic] the Committee had previously used in its fundraising efforts."

Fact: The Committee had not used the Bibles sold in bulk to Respondent for fundraising. The Committee had used a portion, but not all, of the Bibles the Committee had purchased in bulk. In other words, the Committee used one portion of the Bibles the Committee purchased in bulk for fundraising; sold another portion in bulk to Respondent and retained the third portion in inventory.

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GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
J. COLEMAN BEAN
ARTHUR L. HEROLD
ALAN P. DYE
BURKETT VAN KIRK
FRANK M. NORTHAM
C. MICHAEL DEESE
GERARD P. PANARO
JOHN W. HAZARD, JR.
BRAD D. WEISS
CHARLES N. WATKINS
PETER J. CINQUEGRANI

LAW OFFICES
WEBSTER, CHAMBERLAIN & BEAN
1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20006
(202) 785-9500

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QCC#202
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April 10, 1986

BY HAND

Patty Reilly, Esq.
Office of the General Counsel
Federal Election Commission
Sixth Floor
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2012

Dear Ms. Reilly:

Enclosed please find three (3) copies of the brief of respondents I Love America Committee and Granville Graham. The original and ten (10) copies of the brief have been filed with the Office of the Secretary of the Commission.

Very truly yours,

C. Michael Deese
C. Michael Deese

Enclosure

CMD:aj

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OFFICE OF THE
GENERAL COUNSEL

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RECEIVED
OFFICE OF THE REC
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

APR 10 P 4: 06

In the Matter of)
)
)
The I Love America Committee) MUR 2012
and Granville Graham, as)
treasurer)

RESPONDENTS' BRIEF

The General Counsel is prepared to recommend that respondents The I Love America Committee ("ILAC") and Granville Graham, treasurer of ILAC, violated 2 U.S.C. § 441 b(a) by allegedly accepting a corporate contribution from the Old Time Gospel Hour, Inc. ("OTGH") in the amount of \$90,000. The single referenced basis for the General Counsel's position is Advisory Opinion 1979-76 (January 22, 1980). The Commission should decline to find probable cause to believe that a violation has occurred, for AO 1979-76 does not apply to the material facts which even the General Counsel does not dispute.

I. STATEMENT OF FACTS. ^{*/}

ILAC is a multicandidate political committee registered with the Commission. OTGH is a corporation which conducts no

^{*/} The statement of facts is based upon ILAC's answers to interrogatories and the contents of the documents produced by respondent in response to the Commission's subpoena. ILAC does not believe that the General Counsel disputes any of the facts material to the transaction at issue.

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political activity and is not registered with the Commission. Both ILAC and OTGH have occasion to use Bibles in the normal course of their operations as donor fulfillment items. Additionally, even prior to the transaction at issue in this proceeding, ILAC had, in the normal course of its business, purchased mail-shop and other related services from vendors including OTGH.

Thus, prior to the transaction at issue, (a) a commercial relationship existed between ILAC and OTGH, and (b) both organizations had occasion to use Bibles to meet their donor fulfillment needs.

On December 21, 1983, ILAC purchased 25,740 Bibles from Thomas Nelson Publishers, Inc. The Bibles were intended to be used as premiums for those persons who fulfilled contribution pledges to ILAC of at least \$120.00 per year. The total purchase price paid by ILAC was \$187,902.00, plus freight, or \$7.30 per Bible, plus freight.

Soon after ILAC completed its purchase from Thomas Nelson Publishers, ILAC's Vice President suggested to OTGH that ILAC would be willing to sell Bibles to OTGH to meet OTGH's donor fulfillment needs. ILAC's Vice President knew by that time that (1) ILAC had overestimated its need for Bibles, and (2) OTGH required a significant number of Bibles on relatively short notice in order to meet its own donor fulfillment obligations. Negotiations ensued and the parties agreed that OTGH would purchase approximately 8,500 Bibles from ILAC for a price

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of \$90,000, or \$10.59 per unit. At the time of the transaction, the \$10.59 unit price was (a) less than or equal to the fair market value of the Bibles, and (b) less than or equal to the price OTGH would have had to pay to obtain 8,500 Bibles from the publisher on short notice.

Because ILAC had purchased services from OTGH in the past, the parties agreed that, instead of paying ILAC \$90,000 in cash for the 8,500 Bibles, OTGH would give ILAC a \$90,000 credit for future services to be purchased from OTGH. Indeed, during the period from February 16 to June 15, 1984, ILAC purchased from OTGH services, including postage passthroughs of \$53,983.49, valued at \$80,574.76.*/

To summarize the facts, ILAC sold Bibles to OTGH, because OTGH needed them, at a \$10.59 unit price, a price no higher than either the market value or the price which OTGH would otherwise have had to pay. OTGH, which had provided mailshop and related services to ILAC in the past, paid for the Bibles by giving ILAC a credit for future purchases of services. During the several months following the transaction, ILAC used approximately \$80,574.76 of its \$90,000 credit. The \$90,000 transaction was a purely commercial transaction, negotiated and carried out at arm's length, between two parties with an historical commercial relationship.

*/ As noted in ILAC's answers to interrogatories, ILAC's reports filed with the Commission show a total of \$105,907.20 in services provided by OTGH to ILAC during this period. Those reports are in error in that the June 11 (list rental) and June 14 (postage) charges are duplicative of the June 15, 1984 postage charge of \$12,733.49.

II. STATEMENT OF THE ISSUE.

The Office of the General Counsel argues in its brief that the transaction constituted a prohibited corporate contribution by OTGH to ILAC in the amount of \$90,000. The sole basis for the General Counsel's argument is Advisory Opinion 1979-76 in which, the General Counsel states incorrectly, the Commission supposedly set forth the broad principle that the sale of any fundraising asset by a political committee to a corporation results in a prohibited corporate contribution in the full amount of the purchase price paid to the committee.

ILAC submits that AO 1979-76 does not enunciate a rule as broad as the General Counsel suggests and that, in this case, a lawful commercial transaction, rather than a prohibited corporate contribution, took place.

III. ARGUMENT.

A. The Transaction At Issue Is Not Within The Scope of Advisory Opinion 1979-76.

In AO 1979-76, the Commission determined that a political committee which itself originated, wrote and published three books designed exclusively for fundraising purposes for that committee would receive a prohibited corporate contribution were it to sell to a corporation copies of the books remaining after its fundraising effort was completed. The Commission's opinion was clearly limited to "the circumstances ... describe[d]" in the

Committee's advisory opinion request. In essence, the Commission determined that the proposed course of conduct as to which its opinion was sought was a true fundraising sale rather than a commercial transaction. At least implicit in the Commission's reasoning was the recognition that the books at issue possessed their principal value as fundraising items in the hands of the committee, rather than as items of commercial value in the hands of a corporate purchaser.

In other advisory opinions involving similar factual situations, the Commission has focused on whether the transaction is a fundraising sale or a bargained-for exchange of consideration in a commercial transaction. In Advisory Opinion 1981-46, the Commission ruled that a political committee's exchange of contribution lists with a corporation does not result in a prohibited corporate contribution, provided that the lists exchanged are of equal value. There the Commission saw a true commercial transaction, rather than a corporate contribution. The assets exchanged, lists of names of potential contributors, were of the type used by both the seller (committee) and the purchaser (corporation) in their respective fundraising operations.

In the present case the "assets" involved, 8,500 copies of the Bible, were not developed specifically for use by ILAC. These Bibles had commercial value to any organization which could use them in its own fundraising efforts. Just as contributor lists have a commercial value to political committees, so too do Bibles.

have a commercial value to entities whose fundraising efforts are directed toward a specific audience. To say, as the Office of the General Counsel must, that OTGH's purchase of Bibles from ILAC was not a commercial transaction, is both to ignore plain facts and to broaden the scope of AO 1979-76 beyond that envisioned by the Commission.

B. The Transaction Price Was Proper.

Commission regulations provide that "the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." 11 CFR 100.7(a)(1)(iii)(A). The regulations provide further that the "'usual and normal charge' for goods means the price of these goods in the market from which they ordinarily would have been purchased at the time of the contribution; and the 'usual and normal charge' for services.... means the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR 100.7(a)(1)(iii)(B).

The answers to interrogatories and the documents produced by respondents ILAC and OTGH indicate that OTGH charged ILAC the same rates for mailshop, printing and other services as it charged other purchasers during the relevant time period. Thus, it must be determined whether the value of the goods transferred, i.e. the Bibles, at least equalled the \$90,000 value of the services provided by OTGH. ILAC's answer to interrogatory 6 of the second

series of Commission interrogatories, namely, that the negotiated per unit transfer price on the Bibles (\$10.59) was reasonable, has been corroborated on the record by the sworn statement of Thomas Nelson Publishers (Attachment One to the brief of respondent OTGH):

Thomas Nelson Publishers produces a Family Bible, the 710 PE. Based on February 1984 printing and binding costs, for a total of 8500 units, the price would exceed \$12.00 per unit at those quantities.

As is clear from the invoice attached as document 01 to ILAC's response to the Commission's August 13, 1985 subpoena, the Bibles at issue in this matter are Thomas Nelson Publishers' style 710 PE. As is set forth in Exhibit A to ILAC's answers to the Commission's second series of interrogatories, the Bibles were actually transferred from ILAC to OTGH in March and April, 1984; the agreement to transfer was reached prior to that time. Finally, all agree that the transfer price as \$10.59 per unit.

Because the value of the Bibles clearly equalled or exceeded the value of the services provided by OTGH to ILAC, no contribution to ILAC was made.

IV. CONCLUSION.

ILAC sold to OTGH, in the normal course of business, at a competitive price and for immediate delivery, some 8,500 Bibles which OTGH needed for its own purposes. Such conduct is not the type of "sale of a fundraising asset" contemplated in AO 1979-76.

BEFORE THE FEDERAL ELECTION COMMISSION

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COMMISSION SECRETARY

In the Matter of)

The I Love America)
Committee and Granville)
Graham, as treasurer)

The Old Time Gospel, Hour Inc.)

MUR 2012 27 AIO : 33

SENSITIVE

GENERAL COUNSEL'S REPORT

EXECUTIVE SESSION

JUL 09 1986

I. BACKGROUND

On May 22, 1985 the Commission found reason to believe the Old Time Gospel Hour, Inc. ("the Corporation") and the I Love America Committee and Granville Graham, as treasurer, ("the Committee") violated 2 U.S.C. § 441b(a). Underlying the Commission's findings were the confused reports of the Committee indicating an apparent prohibited contribution. In the answers to two sets of interrogatories, respondents admit that the Committee exchanged approximately 8,000 Bibles, (formerly used in a failed fundraising venture, and for which it had paid \$62,000), for a \$90,000 credit for services provided by the Corporation. Although, the Corporation provides such services in the normal course of its business, in this instance, the Committee received a \$90,000 credit in exchange for bibles for which it had previously paid approximately \$62,000.

II. LEGAL ANALYSIS

A. The Bibles As Fundraising Items

Responding to the General Counsel's Brief, both the Corporation and the Committee argue that the transaction which occurred is factually distinguishable from A.O. 1979-76 and thus the analysis used this A.O. should not control in this

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Rather, it is the type of commercial transaction contemplated in AO 1981-46. Because the value of the services received by ILAC did not exceed the value of the Bibles sold to OTGH, the transaction did not result in a prohibited corporate contribution.

Were the Commission to adopt the General Counsel's recommendation, it would in effect be penalizing entities such as ILAC when they miscalculate the number of donor fulfillment items they will require in the future. Such a penalty would be both unfair and not required by law.

April 10, 1986


C. Michael Deese

WEBSTER, CHAMBERLAIN & BEAN
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Suite 1000
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(202) 785-9500

Attorneys for Respondents

87040654548

instance. Additionally, the Respondents argue that because this particular transaction is allegedly outside this A.O., a political committee may sell its assets to a corporation, so long as a "normal and usual" price is paid. As explained below, these arguments must fail because the bibles were a fundraising device of the Committee, and even if not such an asset, the transaction in question is not within the Commission's limited exceptions permitting a political committee to sell assets to a corporation.

In A.O. 1979-76 the Commission determined that a political committee conducting fundraising operations receives a prohibited corporate contribution when it liquidates its fundraising materials by selling them to a corporation. The Commission recognized that the amount of the prohibited contribution is the full price paid by the corporation (even if the committee incurs a loss from the sale).

The Corporation argues this analysis is inapposite because the A.O. applies only to particular things of value "acquired or developed for general fundraising purposes". Corporation's Brief at 4. Bibles are said to be outside this definition because bibles are widely available. This wide availability is said to preclude a finding that the bibles are a fundraising item subject to the Act.

This argument is flawed, however, because it attempts to answer the question whether the bibles were a fundraising item by examining the availability of such a device. In the instant case, there is no dispute that "at the time these Bibles were

purchased, [the Committee] intended to use them as premiums for those persons who fulfilled contribution pledges [sic] to [the Committee] of at least \$120.00 per year." Committee's Response to Second Interrogatories at p.2. Therefore, it is clear that they were a fundraising device.

The Committee also challenges the applicability of A.O. 1979-76 to the bible exchange. It argues the fundraising items in the A.O. only had value in the hands of the fundraising committee, while in the instant case the bibles had a commercial use to the Corporation. Admittedly, the bibles had a value to the Corporation, but their subsequent corporate use does not alter the fact that the Committee initially obtained these bibles as fundraising devices. Therefore, the bibles are properly viewed as fundraising assets, and their sale to a corporation falls squarely within the activity prohibited by A.O. 1979-76.

Both the Corporation and the Committee further argue that a political committee should be permitted to sell any non-fundraising asset to a corporate vendor. The Corporation apparently argues that A.O. 1979-76 is limited to its facts and that the Commission intended to permit a political committee to sell its assets to a corporate vendor, so long as the normal and usual charge is paid." See Corporation Brief at 5-6. However, the Corporation is in error. The Commission has crafted narrow exceptions to the general rule that the sale of a political committee asset to a corporation results in a prohibited contribution. As noted within the other advisory

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opinions cited in A.O. 1979-76, the prohibition against such sales applies except in narrowly defined circumstances.

One such circumstance is when principal campaign committees with valuable campaign equipment and leftover supplies wish to liquidate their assets in order to terminate. See, e.g., A.O. 1979-24.^{1/} Another circumstance where an exception is made is when political committees sell a mailing or contributor list with a unique quality that was developed by such a political committee in the normal course of its operations and primarily for its own use. See e.g., A.O. 1979-18. Neither of those situations are presented in this MUR.^{2/}

^{1/} A recent Advisory Opinion extended this particular exception to permit a political committee to advertise and sell a van utilized by the committee for two campaign cycles when the van had depreciated to a point that it could no longer be used by the committee. See A.O. 1986-14. The A.O. conditioned this exception on the facts that this was a one time sale (without expectation of repurchase or lease-back) of a depreciated asset advertised without political announcement or solicitation, and where the normal and usual charge would be paid. The A.O. reiterated the Commission's position that the sales of fundraising assets, unique campaign materials, or commercial type ventures producing revenue over an indefinite period are activities subject to the prohibitions and limitations of the Act.

^{2/} Even if this sale by a political committee to a corporation had fallen within these limited exceptions a violation would have occurred because the normal and usual price was not paid by the Corporation. Although the Corporation provided a sworn statement that the price per unit of these bibles would have been \$12 or greater in January, 1985, it is undisputed that the Committee received \$90,000 in services for a segment of a bulk sale for which it had paid approximately \$62,000 only two months earlier.

B. Factual Challenges

Additionally, the Corporation challenges three assertions contained in the General Counsel's Brief. First, it challenges an assessed unit price of \$7.45 per bible when determining the cost paid by the Committee, arguing a per unit cost is not applicable to a bulk transaction. ^{3/} Because this Office examined and assessed a per unit price to both the Committee's initial bulk purchase from Thomas Nelson Publishers, and the Committee's subsequent bulk sale of the bibles to the Corporation, no unfairness results. Indeed, this analysis underscores the fact that the Committee received services valued at approximately \$28,000 more than the value of the bibles.

Second, the Corporation claims that the Committee's exchange of 8,000 bibles for a \$90,000 credit for various services performed by the Corporation is a common ledger entry and thus not a contribution. Corporation's Material Facts Controverted at 2. Although this transaction was certainly noted in both respondents' ledgers, this is not sufficient to transform this

^{3/} The General Counsel's Brief, relying upon the Committee's Response to the Second Set of Interrogatories at 3, listed this per unit cost at \$7.30. Both Respondents' Briefs now assert that the Committee paid \$7.45 per bible. The higher figure includes freight while the lower figure does not.

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arrangement into an ordinary commerical undertaking.^{4/} Both respondents have agreed that they have never before exchanged or accepted bibles or any other goods for services. Couching this transaction in the terms of a commerical exchange does not alter the fact that a corporate contribution occurred.

Third, the Corporation maintains the particular bibles it received were not used by the Committee for fundraising purposes. Corporation's Material Facts Controverted at 3. The Corporation fails to recognize that the reason that the Committee exchanged the bibles was because it was unable to give all the bibles away through a donor fulfillment program. If all of the bibles had been used in this program no exchange with the Corporation would have occurred. Moreover, to the extent that the Corporation argues the Committee did not initially intend for all the bibles to be used for fundraising efforts, the Committee's response is to the contrary. See Committee's Answers to Second Interrogatories at 2.

^{4/} Underscoring the difficulties of such a barter situation are the confused accounts of these entities. The Corporation states its invoices reflect that it rendered services to the Committee totalling \$105,907.20. Corporation Brief, Material Facts Not In Dispute at 5. The Committee states this amount is overstated by \$12,233.44. Committee Brief at 3*. Additionally, the Committee states it received only \$80,574.76 in services as of June 15, 1984. Id. These discrepancies are irrelevant for the Commission's purposes in this matter because it is undisputed that a \$90,000 credit was received and eventually liquidated.

In sum, neither the Old Time Gospel Hour, Inc. nor the I Love America Committee and Granville Graham, as treasurer, have demonstrated that either the law or the facts require a recommendation that there is no probable cause to believe that the Act has been violated.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

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IV. RECOMMENDATIONS

1. Find probable cause to believe the I Love America Committee and Granville Graham, as treasurer, violated 2 U.S.C. § 441b(a).
2. Find probable cause to believe the Old Time Gospel Hour Inc. violated 2 U.S.C. § 441b(a).
3. Approve and send the attached conciliation agreements and letters.

87040654553
Date 25 June 1986

BY:


Charles N. Steere
General Counsel

Attachments

1. Proposed Conciliation Agreements
2. Proposed Letters

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Attachment(s) _____

to 6-25-86 G.I. Rpt

have been removed from this
position in Public Record File.

See Index Item(s) 24565 4372 (a)(1)(B)(i)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

The I Love America Committee
and Granville Graham, as
treasurer
The Old Time Gospel Hour, Inc.

MUR 2012

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of July 9, 1986, do hereby certify that the Commission decided by a vote of 6-0 to continue consideration of the above-captioned matter at the next executive session of the Commission.

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

Attest:

7-10-86

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Submitted Late

JUL 14 6:53

SENSITIVE

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JUL 15 1986

MEMORANDUM

TO: THE COMMISSION

FROM: CHARLES N. STEELE
GENERAL COUNSEL

BY: LAWRENCE M. NOBLE
DEPUTY GENERAL COUNSEL

DATE: JULY 14, 1986

RE: LATE SUBMISSION IN MUR 2012

The Office of the General Counsel requests that the attached documents be accepted as a late submission to the Commission's agenda of July 15, 1986. These documents incorporate concerns raised by the Commission when this matter was discussed at the July 9, 1986 meeting.

Attachments

1. Revised Conciliation Agreements (2)
2. Revised Letters (2)

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Attachment(s) _____

to 7-14-86 G.C. Memo

have been removed from this
position in Public Record File.

See Index Item(s) 245164375 (a)(4)(B)(i)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
The I Love America Committee)
and Granville Graham, as) MUR 2012
treasurer)
The Old Time Gospel Hour, Inc.)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of July 15,
1986, do hereby certify that the Commission decided by a
vote of 4-2 to take the following actions in MUR 2012:

1. Find probable cause to believe the I Love America Committee and Granville Graham, as treasurer, violated 2 U.S.C. § 441b(a) to the extent that the value of goods and services provided by the Old Time Gospel Hour, Inc., in exchange for bibles from the Committee, exceeded the initial purchase price paid by the Committee for the bibles.
2. Find probable cause to believe the Old Time Gospel Hour, Inc. violated 2 U.S.C. § 441b(a) to the extent that the goods and services provided to the I Love America Committee in exchange for bibles exceeded the initial purchase price paid by the Committee for the bibles.

(continued)

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Federal Election Commission
Certification for MUR 2012
July 15, 1986

Page 2

3. Approve and send the conciliation agreements and letters attached to the General Counsel's memorandum dated July 14, 1986.

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

Attest:

7-16-86
Date

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

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 18, 1986

C. Michael Deese, Esquire
Webster, Chamberlain & Bean
1747 Pennsylvania Avenue N.W.
Washington, D.C. 20006

RE: MUR 2012
The I Love America
Committee and Granville
Graham, as treasurer

Dear Mr. Deese:

On July 15, 1986, the Commission determined that there is probable cause to believe your clients committed a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with the acceptance of a prohibited corporate contribution made by the Old Time Gospel Hour, Inc. ("the Corporation"). Specifically, the Commission found that your clients exchanged bibles for goods and services provided by the Old Time Gospel Hour, Inc. and the value of these goods and services exceeded the initial purchase price paid by your clients for the bibles. Thus, your clients received a corporate contribution in the amount that the goods and services exceeded the value of the bibles.

The Commission has a duty to attempt to correct such violations for a period of thirty to ninety days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may institute civil suit in United States District Court and seek payment of a civil penalty.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it along with the civil penalty to the Commission within ten days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the U.S. Treasurer.

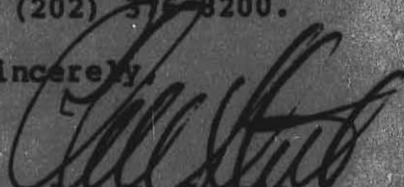
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Letter to C. Michael Deese
Page 2

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 18, 1986

Marion Edwyn Harrison
Scott, Harrison & McLeod
2501 M Street N.W.
Washington, D.C. 20037

RE: MUR 2012
The Old Time Gospel Hour,
Inc.

Dear Mr. Harrison:

On July 15, 1986, the Commission determined that there is probable cause to believe your client committed a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with a prohibited corporate contribution made to the I Love America Committee. Specifically, the Commission found your client provided goods and services to the I Love America Committee in exchange for bibles and the value of these goods and services exceeded the initial purchase price paid for these bibles by the I Love America Committee. Thus, your clients provided a corporate contribution in the amount that the goods and services exceed the value of the bibles.

The Commission has a duty to attempt to correct such violations for a period of thirty to ninety days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may institute civil suit in United States District Court and seek payment of a civil penalty.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it along with the civil penalty to the Commission within ten days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the U.S. Treasurer.

366

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Letter to Marion Edwyn Harrison
Page 2

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Charles W. Steele
General Counsel

Enclosure
Conciliation Agreement

87040354565

36 b

BEFORE THE FEDERAL ELECTION COMMISSION

JAN 27 1987
SENSITIVE
LEGISLATIVE SESSION

In the Matter of)
) MUR 2012
The Old Time Gospel Hour, Inc.)
The I Love America Committee)
and Granville Graham,)
as treasurer)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On July 15, 1986, the Commission found probable cause to believe The Old Time Gospel Hour, Inc. ("the Corporation") violated 2 U.S.C. § 441b(a). Also on that date the Commission found probable cause to believe the I Love America Committee and Granville Graham, as treasurer, ("the Committee") violated 2 U.S.C. § 441b(a). Underlying the Commission's findings was an exchange of bibles held by the Committee for goods and services provided by the Corporation. The Committee purchased 24,740 bibles at a unit cost of \$7.45 per bible in December, 1983, for fundraising purposes. In March and April, 1984, following an unsuccessful fundraising effort, the Committee exchanged approximately 8,500 bibles for \$90,000 worth of goods and services. Thus, the Committee exchanged an asset for which it had paid approximately \$62,000 for \$90,000 in goods and services.

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pp. 2-8, 12 Jan 87 GC Report
removed from Public
Record File. See
24SCS 437 g (a)(v)(BX-i).

Previously noted changes

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RECOMMENDATIONS

1. Accept the conciliation agreement proposed by the I Love America Committee and Granville Graham, as treasurer, and close the file as to this respondent.
2. Reject the conciliation agreements proposed by the Old Time Gospel Hour, Inc.

3. Authorize the Office of the General Counsel to file civil suit in the United States District Court in regard to the Old Time Gospel Hour, Inc.
4. Approve the attached letters.

12 Jan 1957
Date



Charles N. Steele
General Counsel

87040654569

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
The Old Time Gospel Hour, Inc.) MUR 2012
The I Love America Committee)
and Granville Graham, as)
treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 29, 1987, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2012:

1. Accept the conciliation agreement proposed by the I Love America Committee and Granville Graham, as treasurer, and close the file as to this repondent.
2. Reject the conciliation agreements proposed by the Old Time Gospel Hour, Inc.
3. Authorize the Office of the General Counsel to file civil suit in the United States District Court in regard to the Old Time Gospel Hour, Inc.
4. Approve the letters attached to the General Counsel's report dated January 12, 1987.

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

Attest:



Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

February 4, 1987

C. Michael Deese, Esquire
Webster, Chamberlain & Bean
1747 Pennsylvania Avenue N.W.
Washington, D.C. 20006

RE: MUR 2012
The I Love America
Committee and Granville
Graham, as treasurer

Dear Mr. Deese:

On January 29, 1987, the Commission accepted the conciliation agreement signed by you in settlement of a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to your clients, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing within 10 days.

The Commission reminds you, however, that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

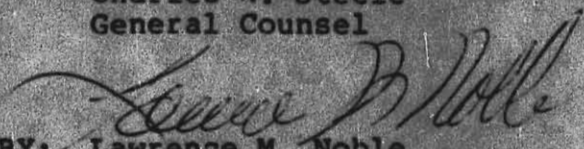
Please note you are required to submit a civil penalty check within 30 days from the date the agreement was signed on behalf of the Commission.

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Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel


BY: Lawrence M. Noble
Deputy General Counsel

87040654572

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
The I Love America Committee and) MUR 2012
Granville Graham, as treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that The I Love America Committee and Granville Graham, as treasurer, (Respondents") violated 2 U.S.C. § 441b(a) by accepting a prohibited corporate contribution.

NOW, THEREFORE, the Commission and Respondents, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) do hereby agree as follows:

- I. The Commission has jurisdiction over the Respondents, and the subject matter of this proceeding.
- II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondents enter voluntarily into this agreement with the Commission.

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

1. Respondent, The I Love America Committee ("the Committee") is a multicandidate political committee registered with the Commission.
2. Respondent, Granville Graham, is the treasurer of the Committee.
3. In December 1983, the Committee purchased 25,740 Bibles, at a unit cost of \$7.45 per Bible, for use in its fundraising efforts. Persons pledging \$120 or more to the Committee were to receive a Bible.
4. When Respondents (a) realized that the Committee did not require immediate use of all of the Bibles purchased, (b) recognized that the Committee had need of services of the kind it had previously purchased from the Corporation, and (c) learned that the Corporation had a need for Bibles, Respondents exchanged approximately 8,500 Bibles for \$90,000 worth of goods and services provided by the Corporation. The unit cost of a Bible to the Corporation, at the time of the exchange, was \$10.57.
5. Respondents contend that the fair market value of the Bibles at the time of the exchange with the Corporation was greater than or at least equal to the fair market value of the services provided by the Corporation to Respondents.

V. 1. The Act defines a contribution to include anything of value. 2 U.S.C. §431(8)(A).

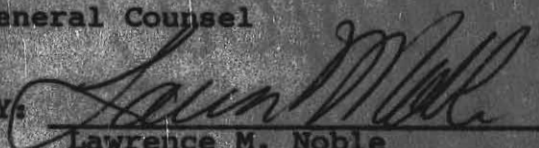
2. Pursuant to 2 U.S.C. §441b(a), it is unlawful for a political committee to accept a corporate contribution in connection with a federal election.

3. Because Respondents had initially paid only approximately \$62,000 (\$7.45 per Bible) for the Bibles in question, Respondents' acceptance of \$90,000 worth of printing, mailshop and related services in exchange for those Bibles constitutes

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY:


Lawrence M. Noble
Deputy General Counsel

2/4/87
Date

FOR THE RESPONDENTS:


C. Michael Deese
Counsel for Respondents

October 30, 1986
Date

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acceptance of a corporate contribution in violation of 2 U.S.C. § 441b(a). Respondents contend that said violation was not knowing and willful.

VI. Respondents will pay a civil penalty to the Treasurer of the United States in the amount of Six Thousand Dollars (\$6,000).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement.

If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be valid.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 5, 1987

Marion Edwyn Harrison, Esquire
1000 Potomac Street, N.W.
Third Floor
Washington, D.C. 20007

Re: MUR 2012
The Old Time Gospel Hour,
Inc.

Dear Mr. Harrison:

You were previously notified that on July 18, 1986, the Federal Election Commission found probable cause to believe that Old Time Gospel Hour, Inc., violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with the above captioned matter. On January 29, 1987, the Commission considered two proposed conciliation agreements submitted on behalf of your clients and determined not to accept either agreement.

As a result of our inability to settle this matter through conciliation within the allowable time period, the Commission has authorized the institution of a civil action for relief in the U.S. District Court.

Should you have any questions, or should you wish to settle this matter prior to suit, please contact Ivan Rivera, the attorney handling this case, at (202) 376-5690 within 5 days of receiving this letter.

Sincerely,

Charles M. Steele
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE
EXECUTIVE SESSION

APR 28 1987

Submitted Late

97 APR 24

ALL: 24

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
FEDERAL ELECTION COMMISSION

April 23, 1987

MEMORANDUM

TO: The Commission

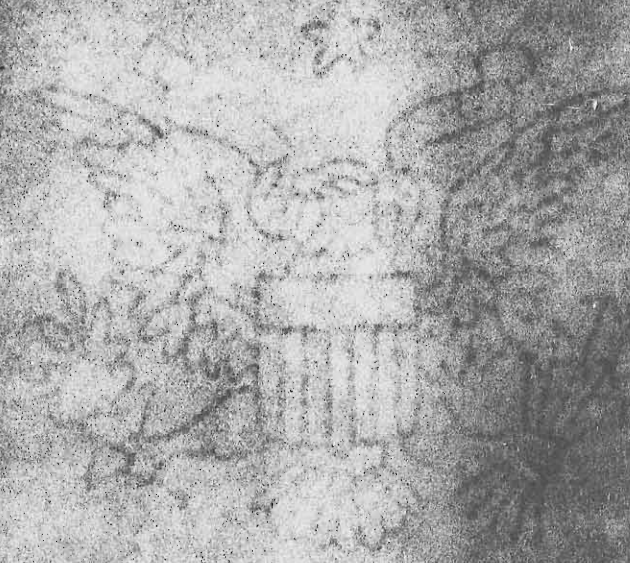
FROM: Lawrence M. Noble *LMN*
Acting General Counsel

SUBJECT: General Counsel's Report in MUR 2012 (The Old-Time
Gospel Hour, Inc.)

We request that this report be placed on the agenda for the Executive Session on Tuesday, April 28, 1987.

The authorization to file a civil suit with respect to this matter expires on April 29, 1987. Therefore, we request this matter be placed on the agenda for the 28th so that the Commission may consider the respondent's proposed conciliation agreement.

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1985

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

The Old-Time Gospel Hour, Inc.)

MUR 2012

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Marion Edwyn Harrison, counsel for the Respondent, The Old-Time Gospel Hour, Inc. This agreement was received in the Office of the General Counsel at 11:42 a.m. on Thursday, April 23, 1987.

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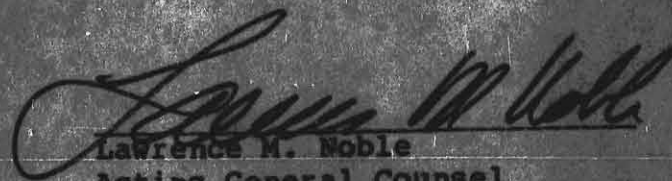
87040654500

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with The Old-Time Gospel Hour, Inc.
2. Approve the attached letters.
3. Close the file.

Date

4/24/87


Lawrence M. Noble
Acting General Counsel

Attachments

1. Conciliation Agreement
2. Letters to Respondents

87040654531

87040654582

Attachment(s) _____

to _____

have been removed from this
position in Public Record File.

See Index Item(s) _____

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
The Old-Time Gospel Hour, Inc.) MUR 2012

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of April 28, 1987, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 2012:

1. Accept the conciliation agreement with The Old-Time Gospel Hour, Inc., as recommended in the FEC General Counsel's report dated April 24, 1987.
2. Approve the letters attached to the General Counsel's report dated April 24, 1987.
3. Close the file.

Commissioners Aikens, Elliott, Josefiak, McDonald, and McGarry voted affirmatively for the decision; Commissioner Thomas dissented.

Attest:



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



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 4, 1987

C. Michael Deese, Esquire
Webster, Chamberlain & Bean
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

RE: MUR 2012
The I Love America
Committee and Granville
Graham, as treasurer

Dear Mr. Deese:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Patty Reilly, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

87040654584



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 4, 1987

Marion Edwyn Harrison, Esquire
1000 Potomac Street, N.W.
Third Floor
Washington, D.C. 20007

RE: MUR 2012
The Old Time Gospel
Hour, Inc.

Dear Mr. Harrison:

On April 28, 1987, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter. This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

Enclosure
Conciliation Agreement

45

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

GCC#3184

87 APR 23 AM 11:42

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

THE OLD-TIME GOSPEL HOUR, INC.

MUR #2012

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that the Old-Time Gospel Hour, Inc. ("Respondent") violated 2 USC §441b(a) by making a prohibited corporate contribution.

NOW THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 USC §437g(a)(4)(A)(i) do hereby agree as follows:

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I.

The Commission has jurisdiction over Respondent and the subject matter of this proceeding.

II.

Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III.

Respondent enters voluntarily into this Agreement with the Commission.

IV.

1. Respondent is a corporation doing business in the State of Virginia, which provides mailshop and printing services.

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2. The I Love America Committee ("Committee") is a multi-candidate political committee registered with the Commission.

3. In December 1983 the Committee purchased from Thomas Nelson Publishers 25,740 Family Bibles, 701PE, at a unit cost of \$7.45 per Bible, to be used in its fundraising efforts.

4. After it became apparent that (1) the Committee did not require immediate use of the full 25,740 Bibles so purchased; (2) the Committee had need of further goods and services of the kind the Committee from time to time purchased from Respondent; and (3) Respondent urgently needed a supply of Bibles, the Committee exchanged approximately 8,500 Bibles for \$90,000.00 worth of goods and services provided by Respondent. Respondent thereby paid the equivalent of a unit cost per Bible of approximately \$10.57. Based upon February 1984 printing and binding costs, for a total of 8,500 said Bibles, the price would have exceeded \$102,000.00, or more than \$12.00 per Bible, if purchased from Thomas Nelson Publishers. The Commission makes no finding as to the fair market value of the Bibles when the exchange occurred.

V.

1. Pursuant to USC §431(8)(A) a contribution is defined to include anything of value.

2. Pursuant to 2 USC §441b(a) it is unlawful for a corporation to make a contribution in connection with a federal election.

3. Because the Committee initially paid approximately \$62,000.00 for the Bibles in question, Respondent's providing of \$90,000.00 worth of printing, mail shop and related services in exchange for those Bibles constitutes a corporate contribution in violation of 2 USC §441b(a). Respondent contends that said violation was not knowing and willful.

VI.

Respondent pays herewith a civil penalty to the Treasurer of the United States in the amount of \$6,000.00 pursuant to 2 USC §437g(a)(5)(A).

VII.

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

VIII.

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

This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein. No other statement, promise or agreement, written or oral, made by

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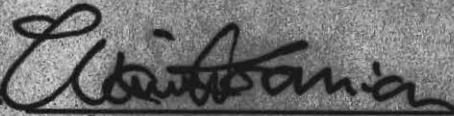
either party or by agents of either party, which is not contained in this Agreement shall be valid.

FOR THE COMMISSION:

By: 
Lawrence M. Noble
Acting General Counsel

5/1/87
Date

FOR THE RESPONDENT:

By: 
Marion Edwyn Harrison
Counsel for Respondent

April 23, 1987
Date

87040654591



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2012

DATE FILMED 9/30/87 CAMERA NO. 2

CAMERAMAN AS

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