



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 2107

Date Filmed 5/27/86 Camera No. --- 2

Cameraman AS

86040784035

Routine Slips, Internal Reports, Comments

theses (12 Day Report), Documents pertaining

to Conciliation, Duplicates

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

 (1) Classified Information

 (6) Personal privacy

X (2) Internal rules and practices

 (7) Investigatory files

 (3) Exempted by other statute

 (8) Banking information

 (4) Trade secrets and commercial or financial information

 (9) Well information (geographic or geophysical)

X (5) Internal Documents

Signed

Beverly B. Kramer

date

5-22-86

FEC 9-21-77

86040384035

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Sailors' Union of the Pacific) MUR 2107
Sailors' Union of the Pacific)
Political Fund)
Paul Dempster, as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 9, 1986, the Commission decided by a vote of 6-0 to take the following actions in MUR 2107:

1. Approve the conciliation agreement of the Sailors' Union of the Pacific, as recommended in the General Counsel's Report signed May 6, 1986.
2. Approve the conciliation agreement of the Sailors' Union of the Pacific Political Fund and Paul Dempster, as treasurer, as recommended in the General Counsel's Report signed May 6, 1986.
3. Close the file.
4. Approve and send the letter attached to the General Counsel's Report signed May 6, 1986.

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

Attest:

5-9-86

Date

Marjorie W. Emmons

Marjorie W. Emmons for
Secretary of the Commission

Received in Office of Commission Secretary:	Wed.,	5-7-86,	11:43
Circulated on 48 hour tally basis:	Wed.,	5-7-86,	4:00
Deadline for vote:	Fri.,	5-9-86,	4:00

86040784037



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 14, 1986

John F. Henning, Jr., Esquire
Henning Walsh & Ritchie
100 Bush Street, Suite 440
San Francisco, CA 94104

RE: MUR 2107
Sailors' Union of the
Pacific
Sailors' Union of the
Pacific Political Fund
and Paul Dempster, as
treasurer

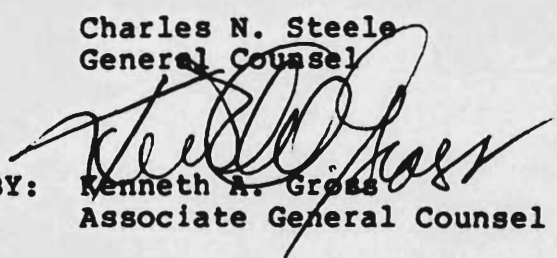
Dear Mr. Henning:

On May 9, 1986, the Commission accepted the conciliation agreements signed by you and payment of the civil penalties in settlement of violations the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

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

Sincerely,

Charles N. Steele
General Counsel

BY: 
Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreements

86040564038

35040584039

In the Matter of)
) MUR 2107
Sailors' Union of the Pacific)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that the Sailors' Union of the Pacific ("Respondent") violated 2 U.S.C. § 441b(a) by making contributions, using general treasury funds, in connection with Federal elections.

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

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

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. The pertinent facts in this matter are as follows:

1. Respondent, Sailors' Union of the Pacific ("the Union"), is a "labor organization" within the meaning of 2 U.S.C. § 441b(b)(1).

2. The Sailors' Union of the Pacific Political Fund ("Political Fund") is the separate segregated fund of the Union and a "political committee" within the meaning of 2 U.S.C. § 431(4)(B).

3. Section 441b(a) of Title 2, United States Code, prohibits a labor organization from making a contribution or expenditure in connection with any Federal election. For purposes of this section, the term "contribution or expenditure" includes any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value.

4. On January 7, 1983, the Union withdrew \$7,000 from its general treasury savings account and converted the funds into a cashier's check made payable to the Political Fund.

5. In its 1983 April Quarterly Report of receipts and disbursements, the Political Fund disclosed the receipt of a loan for \$7,000.

6. In its 1983 July Quarterly Report of receipts and disbursements, the Political Fund reported a debt of \$7,000 owed to the Union for a loan incurred on January 6, 1983. Repayment of the loan was reported as due July 1983.

7. On July 18, 1983, the Union issued a check for \$4,500 to the Political Fund drawn on its general treasury fund account.

8. In its 1983 October Quarterly Report of receipts and disbursements, the Political fund disclosed a corresponding

36040384040

increase of \$4,500 in the amount of debts owed to the Union for loans received.

9. In its 1985 Mid Year report of receipts and disbursements, the Political Fund disclosed a loan repayment of \$11,500 to the Union on April 24, 1985.

V. Respondent violated 2 U.S.C. § 441b(a) by making contributions in connection with Federal elections.

VI. Respondent will pay a civil penalty to the Treasurer of the United States in the amount of Three Thousand Dollars (\$3,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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. Respondent 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

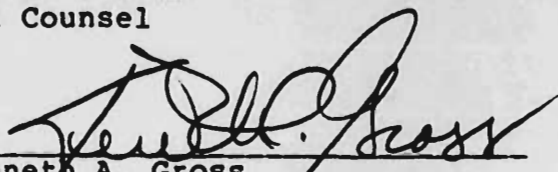
86040584041

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.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

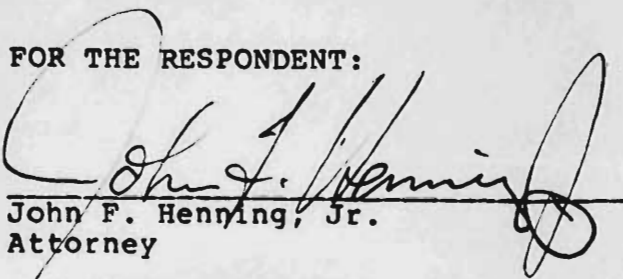
BY:


Kenneth A. Gross
Associate General Counsel

Date

May 13, 1986

FOR THE RESPONDENT:


John F. Henning, Jr.
Attorney

Date

April 28, 1986

86040384042

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Sailors' Union of the Pacific) MUR 2107
Political Fund)
Paul Dempster, as treasurer)

CONCILIATION AGREEMENT

26040384043
This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that the Sailors' Union of the Pacific Political Fund and Paul Dempster, as treasurer ("Respondents") violated 2 U.S.C. § 441b(a) by accepting contributions in the form of loans from a labor organization in connection with Federal elections, and violated 2 U.S.C. § 434(b)(3)(E), § 434(b)(8) and 11 C.F.R. § 104.11(a) by failing to fully and accurately disclose the receipt of loans from the labor organization and debts owed to the labor organization.

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

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

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

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

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

1. The Sailors' Union of the Pacific ("the Union"), is a "labor organization" within the meaning of 2 U.S.C. § 441b(b) (1).

2. Respondent, Sailors' Union of the Pacific Political Fund ("Political Fund") is the separate segregated fund of the Union and a "political committee" within the meaning of 2 U.S.C. § 431(4) (B).

3. Respondent, Paul Dempster, is the treasurer of the Political Fund.

4. Section 441b(a) of Title 2, United States Code, prohibits a labor organization from knowingly accepting a contribution or expenditure from a labor organization in connection with any Federal election. For purposes of this section, the term "contribution or expenditure" includes any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value. 2 U.S.C. § 441b(b) (3).

5. Section 434(b) (3) (E) of Title 2, United States Code, requires the treasurer of a political committee to file reports with the Commission disclosing the identification of each person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and date and amount of value of such

86040504044

loan. See also 11 C.F.R. § 104.3(a)(4)(iv). The term "person" as defined by the Act includes a labor organization. 2 U.S.C. § 431(11).

6. Section 434(b)(8) of Title 2, United States Code, requires the treasurer of a political committee to file reports with the Commission disclosing the amount and nature of outstanding debts and obligations owed by such political committee. See also, 11 C.F.R. § 104.3(d). Debts and obligations owed by a political committee which remain outstanding must be continuously reported until extinguished, pursuant to 11 C.F.R. § 104.11(a).

7. On January 7, 1983, the Union withdrew \$7,000 from its general treasury savings account and converted the funds into a cashier's check made payable to the Political Fund.

8. In its 1983 April Quarterly Report of receipts and disbursements, the Political Fund disclosed the receipt of a loan for \$7,000. The report did not disclose the identification of the person who made the loan to the Political Fund, nor did it disclose the date on which the loan was received as required pursuant to 2 U.S.C. § 434(b)(3)(E). In addition, the Political Fund did not disclose a corresponding debt owed to the person who made the loan to the Political Fund as required pursuant to 2 U.S.C. § 434(b)(8).

9. In its 1983 July Quarterly Report of receipts and disbursements, the Political Fund reported a debt of \$7,000 owed to the Union for a loan incurred on January 6, 1983. Repayment of the loan was reported as due July 1983.

86040384045

10. On July 18, 1983, the Union issued a check for \$4,500 to the Political Fund drawn on the Union's general treasury fund account.

11. In its 1983 October Quarterly Report of receipts and disbursements for the period 7/1/83-9/30/83, the Political Fund disclosed a corresponding increase of \$4,500 in the amount of debts owed to the Union for loans received. The Political Fund did not disclose the identification of the person who made the loan, nor did it disclose the date on which the loan was received as required pursuant to 2 U.S.C. § 434(b)(3)(E).

12. In its 1984 July Quarterly report of receipts and disbursements, the Political Fund failed to continuously report that a debt for loans totalling \$11,500 was owed by them to the Union as required pursuant to 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.11(a).

13. In its 1985 Mid Year reports of receipts and disbursements, the Political Fund disclosed a loan repayment of \$11,500 to the Union on April 24, 1985.

V. Respondents violated 2 U.S.C. § 441b(a) by knowingly accepting a contribution in the form of loans from a labor organization, in connection with Federal elections and violated 2 U.S.C. § 434(b)(3)(E), § 434(b)(8) and 11 C.F.R. § 104.11(a) by failing to fully and accurately disclose the receipt of loans from the labor organization and debts owed to the labor organization.

86040304046

VI. Respondents will pay a civil penalty to the Treasurer of the United States in the amount of Three Thousand Six Hundred Dollars (\$3,600), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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.

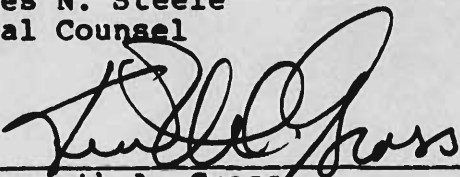
X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be valid.

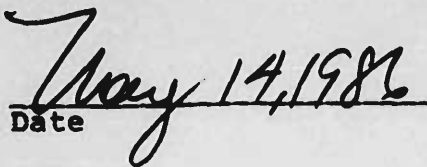
200403047

FOR THE COMMISSION:

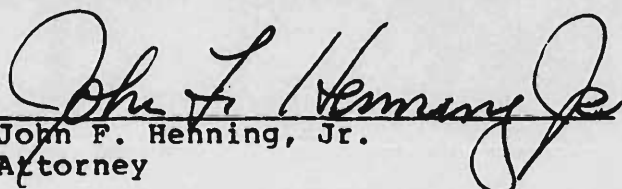
Charles N. Steele
General Counsel

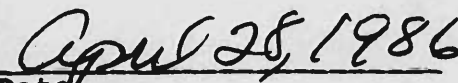
BY:


Kenneth A. Gross
Associate General Counsel


Date

FOR THE RESPONDENTS:


John F. Henning, Jr.
Attorney


Date

86040304048

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

207

APRIL 28 19 86

11-35
1210

PAY
TO THE
ORDER OF

TREASURER OF THE UNITED STATES

\$ 3,600.00

The sum of 3600 dol's 00 cts

DOLLARS

BANK OF AMERICA
HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

FOR

⑈000207⑈ ⑆121000358⑆ 0267120160⑆

ACC 380

MEMORANDUM

TO: Debra A. Reed TO: Judy Smith

FROM: Judy Smith FROM: Debra A. Reed

CHECK NO. 207 (a copy of which is attached) RELATING

TO MUR 2107 AND NAME Sailors' Union of the Pacific
Political Fund

WAS RECEIVED ON _____ 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. Reed

DATE 5/2/86

36 MAY 2 1986
P 07

SAILORS UNION OF THE PACIFIC
450 HARRISON STREET
GENERAL FUND

No 5873

11-3428
1210

PAY TO THE
ORDER OF

SAN FRANCISCO, 4/28/86

TREASURER OF THE UNITED STATES \$ 3,000.00

The sum of 3000 dollars 00 cts DOLLARS

IMPERIAL BANK

San Francisco Office
Number Two Battery Street, San Francisco, California 94111

⑈005873⑈ ⑆121034256⑆

⑈16⑈023 949⑈

GCC 379

MEMORANDUM

TO: Debra A. Reed

TO: Judy Smith

FROM: Judy Smith

FROM: Debra A. Reed

CHECK NO. 5873 (a copy of which is attached) RELATING

TO MUR 2107 AND NAME Sailors' Union of the Pacific

WAS RECEIVED ON 5/2/86. 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. Reed

DATE May 2, 1986

JOHN F. HENNING, JR.
JEFFREY R. WALSH
JAMES R. RITCHIE
KATHLEEN S. KING
VICTOR C. THUESEN
OF COUNSEL
JOHN PAUL JENNINGS

HENNING, WALSH & RITCHIE

LAW OFFICES
100 BUSH STREET, SUITE 440
SAN FRANCISCO, CALIFORNIA 94104
TELEPHONE (415) 981-4400

RECEIVED THE FEC

86 MAY 2 8:16
OF COUNSEL

ROSS & KUHN'S
25 CENTRAL PARK WEST
NEW YORK, NEW YORK 10023
TELEPHONE (212) 752-8566

*PRACTICE LIMITED TO
NEW YORK & WASHINGTON, D.C.

151

April 29, 1986

Lee Andersen, Esq.
Assistant General Counsel
Federal Election Commission
Washington, D.C. 20463

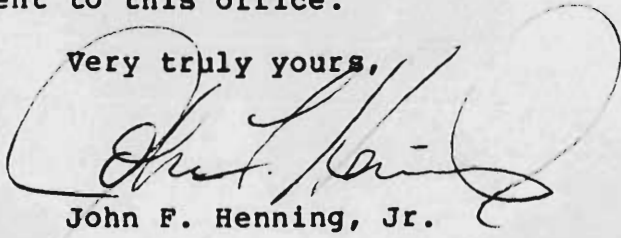
Re: Sailors' Union of the Pacific, et al.;
MUR2107; Our File No. 2409

Dear Mr. Andersen:

Please find enclosed signed Conciliation Agreements on behalf of the Sailors' Union of the Pacific and the Sailors' Union of the Pacific Political Fund together with checks in the amounts of \$3,600 and \$3,000 payable to the Treasurer of the United States as stipulated.

Upon signing on behalf of the Commission, please remit one signed copy of each agreement to this office.

Very truly yours,


John F. Henning, Jr.

JFH/gcd:2409

Enclosures

cc: Mr. Paul Dempster

1
5
0
9
0
5
1
0
4
0
1
0
0
0
8

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Sailors' Union of the Pacific) MUR 2107
Sailors' Union of the Pacific)
Political Fund)
Paul Dempster, as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 14, 1986, the Commission decided by a vote of 6-0 to take the following actions in MUR 2107:

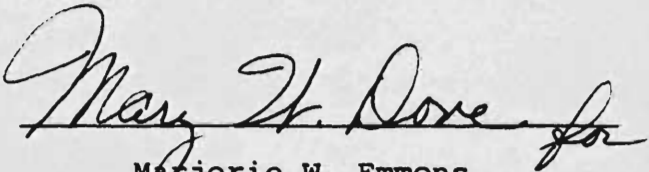
1. Enter into conciliation with the Sailors' Union of the Pacific prior to a finding of probable cause to believe.
2. Enter into conciliation with the Sailors' Union of the Pacific Political Fund and Paul Dempster, as treasurer, prior to a finding of probable cause to believe.
3. Approve the proposed conciliation agreement for the Sailors' Union of the Pacific as recommended in the General Counsel's Report signed March 11, 1986.
4. Approve the proposed conciliation agreement for the Sailors' Union of the Pacific Political Fund and Paul Dempster, as treasurer, as recommended in the General Counsel's Report signed March 11, 1986.
5. Approve and send the letter attached to the General Counsel's Report signed March 11, 1986.

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

Attest:

3-14-86

Date



Marjorie W. Emmons
Secretary of the Commission



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *Red*
DATE: March 11, 1986
SUBJECT: MUR 2107 - General Counsel's Report

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

CIRCULATIONS

48 Hour Tally Vote ☒ ☒
Sensitive ☒
Non-Sensitive ☐

24 Hour No Objection ☐
Sensitive ☐
Non-Sensitive ☐

Information ☐
Sensitive ☐
Non-Sensitive ☐

Other ☐

DISTRIBUTION

Compliance ☒
Audit Matters ☐

Litigation ☐
Closed MUR Letters ☐

Status Sheets ☐
Advisory Opinions ☐

Other (see distribution below) ☐

96040364053

BEFORE THE FEDERAL ELECTION COMMISSION

CONFIDENTIAL
SENSITIVE

In the Matter of)
Sailors' Union of the Pacific)
Sailors' Union of the Pacific)
Political Fund)
Paul Dempster, as treasurer)

MUR-2107
MAR 11 21:28

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On November 29, 1985, the Commission found reason to believe that the Sailors' Union of the Pacific ("the Union") violated 2 U.S.C. § 441b(a) by loaning general treasury funds of \$11,500 to its separate segregated political fund. The Commission also found reason to believe that the Sailors' Union of the Pacific Political Fund ("Political Fund") and Paul Dempster, as treasurer, violated 2 U.S.C. § 441b(a) by accepting loans of \$11,500 from the Union for use in connection with Federal elections. In addition, the Commission found reason to believe the Political Fund committed reporting violations under 2 U.S.C. § 434(b)(3)(E), § 434(b)(8) and 11 C.F.R. § 104.11(a) in connection with its disclosure of the loan activity. Notice of the Commission's determination and requests for documents were mailed to the Respondents on December 13, 1985.

Responding to the Commission's notice on January 10, 1986, counsel for the Respondents requested to enter into conciliation prior to a finding of probable cause to believe. See Attachment 1 at 1-5. On February 4, 1986, the Respondents submitted documents requested by the Commission. See Attachment 2 at 6-16.

II. DISCUSSION OF CONCILIATION AND CIVIL PENALTIES

86040704054

86040334053

III. RECOMMENDATIONS

1. Enter into conciliation with the Sailors' Union of the Pacific prior to a finding of probable cause to believe.
2. Enter into conciliation with the Sailors' Union of the Pacific Political Fund and Paul Dempster, as treasurer, prior to a finding of probable cause to believe.
3. Approve the attached proposed conciliation agreement for the Sailors' Union of the Pacific.
4. Approve the attached proposed conciliation agreement for the Sailors' Union of the Pacific Political Fund and Paul Dempster, as treasurer.
5. Approve and send the attached letter.

Charles N. Steele
General Counsel

March 11, 1986

BY:

Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

Attachments

1. Response received January 10, 1986
2. Response received February 4, 1986
3. Proposed conciliation agreement the Union
4. Proposed conciliation agreement for the Political Fund
5. Proposed letter

86040584055

JOHN F. HENNING, JR.
JEFFREY R. WALSH
JAMES R. RITCHIE
KATHLEEN S. KING
VICTOR C. THUESEN
OF COUNSEL
JOHN PAUL JENNINGS

HENNING, WALSH & RITCHIE

LAW OFFICES
100 BUSH STREET, SUITE 440
SAN FRANCISCO, CALIFORNIA 94104
TELEPHONE (415) 981-4400

HAND DELIVERED

36 JAN 10 PM 2:15

OF COUNSEL Gcc#9458

ROSS & KUHNS*
25 CENTRAL PARK WEST
NEW YORK, NEW YORK 10023
TELEPHONE (212) 752-8866

*PRACTICE LIMITED TO
NEW YORK & WASHINGTON, D.C.

151

January 8, 1986

VIA FEDERAL EXPRESS

Mr. John Warren McGarry, Chairman
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 2107, Sailor's Union
of the Pacific Political Fund

Dear Mr. McGarry:

Your letter of December 13, 1985, has been forwarded to me for response. As the below discussion indicates, we believe that the transaction at issue herein raises certain "definitional" issues for purposes of jurisdiction under 2 U.S.C. §441b(a), and that, otherwise, the Fund has complied with the reporting requirements incumbent upon it under the applicable provisions and regulations of the Federal Election Campaign Act of 1971.

Discussion

A review of the General Counsel's Analysis, attached to your correspondence, reflects the following allegations which will be responded to in turn:

1. That the Fund violated 2 U.S.C. §441b(a) by accepting loans totaling \$11,500 from the Sailor's Union of the Pacific to pay federal taxes on the earned interest income of the Fund.

Response. Inasmuch as the challenged expenditure was made to pay federal taxes accrued on earned interest, which interest was not solicited or contributed to the Fund, the acceptance of monies from the Sailor's Union of the Pacific to make such payment is beyond the jurisdiction of 2 U.S.C. §441b(a) since the transfer of monies was not made "in connection with any election to any political office, or in connection with any primary election or political convention or caucus...."

Attachment 1

36 JAN 10 PM 3:31

Mr. John Warren McGarry, Chairman
Federal Election Commission
January 8, 1986
Page Two

86040784053
The obligation to pay taxes upon earned interest on Fund accounts predated the adoption of the Federal Election Campaign Act of 1971, as did also the Sailor's Union of the Pacific Political Fund; and, the payment of such taxes is functionally separate from, and wholly unrelated to, any political activity of any kind. And, this conclusion is not altered by Advisory Opinion 1977-17 to the effect that taxes incurred on earned interest are not "administrative" expenses within the meaning of 2 U.S.C. §441(b)(2)(c) since that opinion did not address the threshold question of whether a tax obligation is "connected" to political activity.

More importantly, under the peculiar facts of this case, the provisions of Advisory Opinion 1979-23 would exclude the within transaction from consideration under 2 U.S.C. §§441b(a) and 441b(b)(2). As provided by Advisory Opinion 1979-23, it is only where "a loan creates a legally enforceable obligation to repay" that it can be found that "a contribution exists." And that the existence of a written instrument "could be determinative of the question whether the transaction was in fact a loan rather than a gift, and therefore ceased to be a contribution when repaid to [the] lender." Ibid. In sum, if the transaction did not qualify as a "loan" within the meaning of Section 441b(b)(2), it would be deemed a "gift" within the meaning of said section which when "repaid" would be deemed a return of said "gift" to the original party, thereby compelling a finding that a "contribution" did not exist.

The subject transaction consisted of nothing more than a journal transfer of \$11,500 from the account of the Sailor's Union of the Pacific Political Action Fund. No written instrument memorialized the transaction, nor was a legally enforceable loan created by virtue of said transaction because, as a matter of California law, since the return of the "gift" was not to, and did not, occur within a year, the transaction would have to have been reduced to a written agreement to be enforceable under the Statute of Frauds provisions of California Civil Code Section 1624.

Mr. John Warren McGarry, Chairman
Federal Election Commission
January 8, 1986
Page Three

2. That the Fund violated 2 U.S.C §434(b)(E) by failing to report the receipt of loans totaling \$4,500, including the identification of the person making such loans, the date and amount of value of such loans.

Response. As reflected by the attached copy of the Fund's Amended July 7, 1983, Report of Receipts and Disbursements, attached hereto as Exhibit A, the receipt of \$7,000 is listed as a loan to the Fund, for reporting purposes; and, as reflected by the attached copy of the Fund's October 5, 1983, Report of Receipts and Disbursements, attached hereto as Exhibit B, the receipt of \$4,500 is reflected in the increase of the indebtedness of the Fund to the Sailor's Union of the Pacific to \$11,500. Notwithstanding the Commission's references to 1982 Reports as reflecting such transactions, no such evidence is reflected on the copies of said reports retained by the Fund.

But, responding to the allegation of a failure to report the \$4,500 transaction, the attached 1983 Reports do in fact reflect this increase in "indebtedness." And, as to the allegation that the Fund failed to itemize such transactions in Schedule C to the Report, the Fund supplied all requested information specified on the report form as applicable to the instant transaction.

The provisions of 11 C.F.R. §104.2 mandate that all required reports be filed on prescribed FEC forms, which filings in this instance were made in conformance with the information required by such form. The loan source was identified as the "Sailor's Union of the Pacific," the purpose identified as "for taxes" and the "original amount" and "balance" identified. The provision of "terms," "interest rate," "List of All Endorsers or Guarantors" was not supplied since such information and/or data was not generated by the "journal entry" transaction effected herein.

Mr. John Warren McGarry, Chairman
Federal Election Commission
January 8, 1986
Page Four

3. That the Fund violated 2 U.S.C. §434(b) (8) by failing to disclose the amount and nature of outstanding debts and obligations owed to the Sailor's Union of the Pacific for loans received by the fund.

Response. See preceding Response (2). Also Exhibits B and C hereto. The Fund has provided all information appropriate to the instant transaction as per 11 C.F.R. §104.2

4. That the Fund violated 11 C.F.R. §104.11 (a) by failing to continuously report outstanding debts owed to the Sailor's Union of the Pacific for loans received by the Fund.

Response. See preceding Response. The Fund has complied with Section 104.11 by providing that information required by the "Separate Schedules" provided by the FEC forms as they pertained to the instant transaction.

Conclusion

For the foregoing reasons, the Fund would respectfully submit that:

1. The instant transaction does not constitute a "contribution" or "loan" within the meaning of 2 U.S.C. §441b by compulsion of Advisory Opinion 1979-23; and

2. The Fund has otherwise provided all available information and data as generated by the journal entry transaction at issue herein and in compliance with the provisions of 11 C.F.R. §§104.2 and 104.11(a).

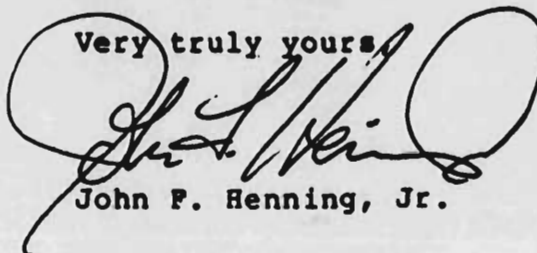
And, as a result, we believe there is insufficient evidence to support a finding of the statutory violations alleged herein.

LAW OFFICES OF HENNING, WALSH & RITCHIE

Mr. John Warren McGarry, Chairman
Federal Election Commission
January 8, 1986
Page Five

Notwithstanding, as referenced by your communication, the Fund is interested in pursuing pre-probable cause conciliation in order that the issues raised herein be resolved for futher filing purposes; and, for this purpose, this response shall also be deemed a request for pre-probable cause conciliation pursuant to the provisions of 11 C.F.R. §111.18(d).

Very truly yours,



John F. Henning, Jr.

JFH/gcd:2049

Enclosures

cc: Paul Dempster, President
Sailor's Union of the Pacific

P.S. A Statement of Designation of Counsel is also enclosed herewith. As to the Request for Documents, as reflected above, there was no memorialization of the transaction nor was a check written by the Sailor's Union of the Pacific to the Fund covering such transaction between January 1, 1982, and May 1, 1985.

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

(Summary Page)

2-83

1. Name of Committee (in Full)
**SAILORS UNION OF THE PACIFIC
POLITICAL FUND**

Address (Number and Street)
450 HARRISON STREET

City, State and ZIP Code
SAN FRANCISCO, CA 94105

☐ Check if address is different than previously reported.

2. FEC Identification Number
C00-11338

3. ☐ This committee qualified as a multicandidate committee during this Reporting Period on _____ (date)

4. TYPE OF REPORT (check appropriate boxes)

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

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

SUMMARY		Column A This Period	Column B Calendar Year-to-Date
Covering Period 4.1.83 Through 6.30.83			
5 (a) Cash on Hand January 1, 19 83			\$ 69,273.97
6 (b) Cash on Hand at Beginning of Reporting Period	\$ 69,237.67		
7 (c) Total Receipts (from Line 18)	\$ 4,623.78	\$ 14,526.67	
8 (d) Subtotal (add lines 6(b) and 6(c) for Column A and lines 6(a) and 6(c) for Column B)	\$ 71,368.49	\$	
9 Total Disbursements (from Line 28)	\$ 3,244.23	\$ 13,103.42	
10 Cash on Hand at Close of Reporting Period (subtract line 9 from 8(d))	\$ 70,617.22	\$ 70,617.22	
11 Debts and Obligations Owed TO the Committee (Itemize all on Schedule C or Schedule D)	\$		
12 Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D)	\$ 7,000.00		

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

For further information, contact:

Federal Election Commission
Toll Free 800-424-9530
Local 202-523-4068

PAUL DEMASTER
Type or Print Name of Treasurer
Paul Demaster
SIGNATURE OF TREASURER

7.7.83
Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §427c.

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

--	--	--	--	--	--	--	--	--

FEC FORM 3X (3/80)

6

EXHIBIT "A"

DETAILED SUMMARY
Receipts and Disbursements
(Page 2, FEC FORM 34)

Name of Committee or Fund
SAILOR'S UNION OF THE PACIFIC POLITICAL FUND

Period Covered by this Report
From **4.1.83** to **6.30.83**

I. RECEIPTS

11. CONTRIBUTIONS (other than loans) FROM:

(a) Individuals, Persons Other Than Political Committees

(Memo Entry Unitemized \$ **1,158.00**)

(b) Political Party Committees

(c) Other Political Committees

(d) TOTAL CONTRIBUTIONS (other than loans) (add 11a, 11b and 11c)

12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES

13. ALL LOANS RECEIVED

14. LOAN REPAYMENTS RECEIVED

15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)

16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES

17. OTHER RECEIPTS (Dividends, Interest, etc.)

18. TOTAL RECEIPTS (Add 11d, 12, 13, 14, 15, 16 and 17)

II. DISBURSEMENTS

19. OPERATING EXPENDITURES

20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES

21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES

22. INDEPENDENT EXPENDITURES (Use Schedule E)

23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. §441a(d)) (Use Schedule F)

24. LOAN REPAYMENTS MADE

25. LOANS MADE

26. REFUNDS OF CONTRIBUTIONS TO:

(a) Individuals, Persons Other Than Political Committees

(b) Political Party Committees

(c) Other Political Committees

(d) TOTAL CONTRIBUTION REFUNDS (add 26a, 26b and 26c)

27. OTHER DISBURSEMENTS

28. TOTAL DISBURSEMENTS (Add Lines 19, 20, 21, 22, 23, 24, 25, 26d and 27)

III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES

29. TOTAL CONTRIBUTIONS (other than loans) from Line 11d

30. TOTAL CONTRIBUTION REFUNDS from Line 26d

31. NET CONTRIBUTIONS (other than loans) (subtract Line 30 from Line 29)

32. TOTAL OPERATING EXPENDITURES from Line 19

33. OFFSETS TO OPERATING EXPENDITURES from Line 15

34. NET OPERATING EXPENDITURES (subtract Line 33 from Line 32)

COLUMN A
Total This Period

COLUMN B
Calendar Year-to-Date

1,158.00

2,367.00

1,158.00

2,367.00

7,000.00

3,465.78

5,159.67

4,623.78

14,526.67

354.23

7,733.42

2,390.00

4,950.00

500.00

500.00

3,244.23

13,183.42

1,158.00

2,367.00

1,158.00

2,367.00

354.23

7,733.42

354.23

7,733.42

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

3 of Committee (in Full)

SEALOR'S UNION OF THE PACIFIC POLITICAL FUND

Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
BOXER FOR CONGRESS SUITE 2300 333 MARKET ST. SF, CA 94102	CONTRIBUTION Disbursement for: ☒ Primary ☐ General ☐ Other (specify):	4.4.83	1,000.00
Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
FRIENDS OF GEORGE MILLER P.O. BOX 5864 OAKLAND, CA 94624	CONTRIBUTION Disbursement for: ☐ Primary ☒ General ☐ Other (specify):	5.4.83	390.00
Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
ALAN BURTON FOR CONGRESS P.O. BOX 4200 SF, CA 94101	CONTRIBUTION Disbursement for: ☐ Primary ☐ General ☒ Other (specify): SPECIAL ELECTION	5.16.83	1,000.00
Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		

-AL J: Disbursements This Page (optional)

2,840.00

The Period Last Page this line, no other only.

2,390.00

MODULE B

ITEMIZED DISBURSEMENTS

LINE NUMBER

Use separate sheets for each category of the Disbursement Summary Page

NON - FEDERAL - LINE 27

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

Name of Committee (in Full)

AILOR'S UNION OF THE PACIFIC POLITICAL FUND

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
RIENDS OF DAVID ROBERTI CRAMENTO, CA	CONTRIBUTION	4.22.83	300.00

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
SHINGTON STATE DEMOCRATIC RAL COMMITTEE X 4017 ATTLE, WA 98104	CONTRIBUTION	6.3.83	200.00

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period

TOTAL of Disbursements This Period (optional)

500.00

This Period: List these line numbers: 27

500.00

JLEC

3/80
 ATTACHMENT TO 6.30.83 REPORT

LOANS

UMHEH 10
 Use separate schedules
 for each numbered line

Name of Committing Unit

SAILOR'S UNION OF THE PACIFIC POLITICAL FUND

Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
SAILOR'S UNION OF THE PACIFIC 450 HARRISON ST. SF 94105	7,000.00	-	7,000

To pay IRS TAXES

Section: Primary General Other (Specify) _____
 Date Incurred: 1.6.83 Date Due: 7.83 Interest Rate: _____ (april) Secured: _____

1. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

3. Full Name, Mailing Address and ZIP Code

Full Name, Mailing Address and ZIP Code of Loan Source

Original Amount of Loan

Cumulative Payment To Date

Balance Outstanding at Close of This Period

Section: Primary General Other (Specify)

Date Incurred: _____ Date Due: _____ Interest Rate: _____ (april) Secured: _____

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

1. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

3. Full Name, Mailing Address and ZIP Code

TOTAL \$

7,000.00

TAXES This Period \$

7,000.00

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

(Summary Page)

3-83

SUMMARY		Column A This Period	Column B Calendar Year-to-Date
5. Covering Period	<u>7. 1. 83</u> Through <u>9. 30. 83</u>		
6. (a) Cash on Hand January 1, 19__			\$ 69,273.97
(b) Cash on Hand at Beginning of Reporting Period		\$ 70,617.22	
(c) Total Receipts (from Line 18)		\$ 7,290.07	\$ 21,816.74
(d) Subtotal (add lines 6(b) and 6(c) for Column A and lines 6(a) and 6(c) for Column B)		\$ 77,907.29	\$ 91,090.71
7. Total Disbursements (from Line 28)		\$ 6,258.00	\$ 19,441.42
8. Cash on Hand at Close of Reporting Period (subtract line 7 from 6(d))		\$ 71,649.29	\$ 71,649.29
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C or Schedule D)		\$	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D)		\$ 11,500.00	

Federal Election Commission
Toll Free 800-424-9530
Local 202-523-4068

Type or Print Name of Treasurer

SIGNATURE OF TREASURER

Date _____

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

--	--	--	--	--	--	--	--	--

FEC FORM 3X (3/80)

11

EXHIBIT "B"

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

Name of Committee (in Full)

SANJOE'S UNION OF THE PROFK POLITICAL FUND

Report Covering the Period:

From: **7.1.83** To: **9.30.83**

	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
I. RECEIPTS		
11. CONTRIBUTIONS (other than loans) FROM:		
(a) Individuals/Persons Other Than Political Committees	672.00	3,039.00
(Memo Entry Unitemized \$ 672.00)		
(b) Political Party Committees		
(c) Other Political Committees	672.00	3,039.00
(d) TOTAL CONTRIBUTIONS (other than loans) (add 11a, 11b and 11c)		
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES		
13. ALL LOANS RECEIVED		
14. LOAN REPAYMENTS RECEIVED	4,500.00	11,500.00
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)		
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES		
17. OTHER RECEIPTS (Dividends, Interest, etc.)	2,118.07	7,277.74
18. TOTAL RECEIPTS (Add 11d, 12, 13, 14, 15, 16 and 17)	7,290.07	21,816.74
II. DISBURSEMENTS		
19. OPERATING EXPENDITURES	4,458.00	12,191.42
20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES		
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	1,800.00	6,750.00
22. INDEPENDENT EXPENDITURES (Use Schedule E)		
23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. §441a(d)) (Use Schedule F)		
24. LOAN REPAYMENTS MADE		
25. LOANS MADE		
26. REFUNDS OF CONTRIBUTIONS TO:		
(a) Individuals/Persons Other Than Political Committees		
(b) Political Party Committees		
(c) Other Political Committees		
(d) TOTAL CONTRIBUTION REFUNDS (add 26a, 26b and 26c)		500.00
27. OTHER DISBURSEMENTS	6,258.00	19,441.42
28. TOTAL DISBURSEMENTS (Add Lines 19, 20, 21, 22, 23, 24, 25, 26d and 27)		
III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES		
29. TOTAL CONTRIBUTIONS (other than loans) from Line 11d	672.00	3,039.00
30. TOTAL CONTRIBUTION REFUNDS from Line 26d		
31. NET CONTRIBUTIONS (other than loans) (subtract Line 30 from Line 29)	672.00	3,039.00
32. TOTAL OPERATING EXPENDITURES from Line 19	4,458.00	12,191.42
33. OFFSETS TO OPERATING EXPENDITURES from Line 15		
34. NET OPERATING EXPENDITURES (subtract Line 33 from Line 32)	4,458.00	12,191.42

SCHEDULE B

ITEMIZED DISBURSEMENTS

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

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

of Committee (in Full)

MILOR'S UNION OF THE PACIFIC POLITICAL FUND

Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
LEND'S OF GEORGE MILLER P.O. BOX 5864 INCORP, CA 94524	CONTRIBUTION Disbursement for: ☐ Primary ☒ General ☐ Other (specify):	7.11.83	1,000 ⁰⁰
SHOREMAN MIKE LOWRY P.O. BOX 4246 EATTLE, WA 98104	CONTRIBUTION Disbursement for: ☐ Primary ☒ General ☐ Other (specify):	7.12.83	50 ⁰⁰
ARMAR BOXER P.O. BOX 4881 F, CA 94101	CONTRIBUTION Disbursement for: ☐ Primary ☒ General ☐ Other (specify):	9.26.83	750 ⁰⁰
T	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
D	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
C	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
T	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
C	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
S	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
R	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		

TOTAL of Disbursements This Page (optional)

1,800⁰⁰

AL This Period (last page this line number only)

1,800⁰⁰

LOANS

Name of Committee (in Full) SAILOR'S UNION OF THE PACIFIC POLITICAL FUND			
A. Full Name, Mailing Address and ZIP Code of Loan Source SAILOR'S UNION OF THE PACIFIC 450 HARRISON ST. SF, CA 94105 FOR TAXES		Original Amount of Loan 11,500⁰⁰	Cumulative Payment To Date -
Election: ☐ Primary ☐ General ☐ Other (specify):		Balance Outstanding at Close of This Period 11,500⁰⁰	
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (apr)		☐ Secured	
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding: \$	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding: \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding: \$	
B. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Cumulative Payment To Date
Election: ☐ Primary ☐ General ☐ Other (specify):		Balance Outstanding at Close of This Period	
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (apr)		☐ Secured	
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding: \$	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding: \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding: \$	
SUBTOTALS This Period This Page (optional)		11,500⁰⁰	
TOTALS This Period (last page in this line only)		11,500⁰⁰	
Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			

JOHN F. HENNING, JR.
JEFFREY R. WALSH
JAMES R. RITCHIE
KATHLEEN S. KING
VICTOR C. THUESEN
OF COUNSEL
JOHN PAUL JENNINGS

Kramer *CCC# 964*

HENNING, WALSH & RITCHIE

LAW OFFICES
100 BUSH STREET SUITE 440
SAN FRANCISCO, CALIFORNIA 94104
TELEPHONE (415) 981-4400

OF COUNSEL

ROSS & KUMINS
25 CENTRAL PARK WEST
NEW YORK, NEW YORK 10023
TELEPHONE (212) 752-5555

PRACTICE LIMITED TO
NEW YORK & WASHINGTON, D.C.

151

January 29, 1986

Mr. John Warren McGarry, Chairman
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

ATTN: Beverly Kramer

Re: MUR2107, Sailors' Union of the Pacific Political Fund

Dear Ms. Kramer:

Pursuant to our last discussion on this matter, I am enclosing for your files the following documents:

- (1) Copies of checks on payment of taxes to IRS from January 6, 1983, through May 20, 1985, Exhibit A;
- (2) Copies of checks amounting to \$11,500 from the Sailors' Union of the Pacific to the Political Fund, Exhibit B; and
- (3) The Fund's 1982 tax return, filed on or about July 18, 1983, Exhibit C.

The sum of \$11,500 was transferred into the account of the Sailors' Union of the Pacific on April 24, 1985, from a maturing certificate of deposit on the Fund's account for which there is no transfer check, but I am enclosing a copy of our internal books reflecting the transfer as Exhibit D.

Very truly yours,

John F. Henning, Jr.
John F. Henning, Jr.

cc: Paul Dempster
B. Tynan

Attachment 2

16 FEB 4 ALL: 46

GENERAL

9 5 0 4 0 5 0 4 0 7 1

86040384072

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

147

JANUARY 06 1983 11-35
1210

DAY TO THE ORDER OF INTERNAL REVENUE SERVICE \$ 6,667.80

The sum of 6667 dol's 80 cts DOLLARS

BANK OF AMERICA
HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For *Jack Lyon*
Paul Dempster

⑈000147⑈ ⑆121000358⑆ 02671⑈01460⑈ ⑈000066780⑈

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

148

JANUARY 25 1983 11-35
1210

DAY TO THE ORDER OF INTERNAL REVENUE SERVICE \$ 668.83

The sum of 668 dol's 83 cts DOLLARS

BANK OF AMERICA
HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For ID# 94-2565344 1120 PO 12/31/79

Paul Dempster
Jack Lyon

⑈000148⑈ ⑆121000358⑆ 02671⑈01460⑈ ⑈0000066883⑈

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

I.D.# 94-2565344 162

MAY 18 1983 11-35
1210

DAY TO THE ORDER OF INTERNAL REVENUE SERVICE \$ 354.23

The sum of 354 dol's 23 cts DOLLARS

BANK OF AMERICA
HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For *Paul Dempster*
Jack Lyon

⑈000162⑈ ⑆121000358⑆ 02671⑈01460⑈ ⑈0000035423⑈

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

166

JULY 18 1983 11-35
1210

DAY TO THE ORDER OF INTERNAL REVENUE SERVICE \$ 4,458.00

The sum of 4458 dol's 00 cts DOLLARS

BANK OF AMERICA
HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For 1120-POL 1982

Paul Dempster
Jack Lyon

⑈000166⑈ ⑆121000358⑆ 02671⑈01460⑈ ⑈0000445800⑈

16

EXHIBIT A

Pay Any F.R.B. Branch or Gen. De-
positary for Credit U.S. Treas.
This is in Payment of U.S. Oblig.
Must be paid at Par N.P. Do Not
Wire Non-Payment. 20-09-8900
Dir. I.R.S. Ctr., Fresno, CA.

87328-013-016-00-3 (TV 07)

011303 0113 011303

Pay Any F.R.B. Branch or Gen. De-
positary for Credit U.S. Treas.
This is in Payment of U.S. Oblig.
Must be paid at Par N.P. Do Not
Wire Non-Payment. 20-09-8900
Dir. I.R.S. Ctr., Fresno, CA.

FD 07

FB 07

420607 0000 000000

0 00 0000 00000000 00

Pay Any F.R.B. Branch or Gen. De-
positary for Credit U.S. Treas.
This is in Payment of U.S. Oblig.
Must be paid at Par N.P. Do Not
Wire Non-Payment. 20-09-8900
Dir. I.R.S. Ctr., Fresno, CA.

1 MY 24 3
00000000
1210-0007-4 4
25693440112052183

MY 24

002J893121436573036 000000

000000000 000000000000

Pay Any F.R.B. Branch or Gen. De-
positary for Credit U.S. Treas.
This is in Payment of U.S. Oblig.
Must be paid at Par N.P. Do Not
Wire Non-Payment. 20-09-8900
Dir. I.R.S. Ctr., Fresno, CA.

1 JY 25 3
00000000
1210-0007-4 4
25653440212022183

JY 25

SAIL893712032390636180294

36040304073

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

169

JAN 31 1984 11-35
1210

PAY TO THE ORDER OF IRS Internal Revenue Service

\$1384.57

The sum of 1384 dol's 57 cts

DOLLARS

BANK OF AMERICA
HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For

⑈000169⑈ ⑆121000358⑆ 02671⑈01460⑈

⑈0000138457⑈

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

171

MARCH 9 1984 11-35
1210

PAY TO THE ORDER OF INTERNAL REVENUE SERVICE

\$2,857.24

The sum of 2857 dol's 24 cts

DOLLARS

BANK OF AMERICA
HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For

⑈000171⑈ ⑆121000358⑆ 02671⑈01460⑈

⑈0000285724⑈

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

191

MARCH 27 1985 11-35
1210

PAY TO THE ORDER OF I.R.S. Internal Revenue Service

\$3,050.00

The sum of 3050 dol's 00 cts

DOLLARS

BANK OF AMERICA
HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For 1120-POL 94-2565344

⑈000191⑈ ⑆121000358⑆ 02671⑈01460⑈

⑈0000305000⑈

94-216154
SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

195

MAY 20 1985 11-35
1210

PAY TO THE ORDER OF INTERNAL REVENUE SERVICE

\$ 172.14

The sum of 172 dol's 14 cts

DOLLARS

BANK OF AMERICA
HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For

⑈000195⑈

02671⑈01460⑈

⑈0000017214⑈

18

86040384075

FB '84 06
REQ. 00000
1210-0087-4

010000105 02008407010

Pay Any F.R.B. Branch or Gen. De-
positary for Credit U.S. Treas.
This is in Payment of U.S. Oblig.
Must be paid at Par N.P. Do Not
Wire Non-Payment. 20-09-8900
Dir. I.R.S. Ctr., Fresno, CA.

FB '84 06

0023098170347104746700294

25653440412020304

010023577 031984070207

Pay Any F.R.B. Branch or Gen. De-
positary for Credit U.S. Treas.
This is in Payment of U.S. Oblig.
Must be paid at Par N.P. Do Not
Wire Non-Payment. 20-09-8900
Dir. I.R.S. Ctr., Fresno, CA.

MR '84 20
REQ. 00000
1210-0037-4

SAIL893200798190146100294

25653440332031904

0000 040 00070004

Pay Any F.R.B. Branch or Gen. De-
positary for Credit U.S. Treas.
This is in Payment of U.S. Oblig.
Must be paid at Par N.P. Do Not
Wire Non-Payment. 20-09-8900
Dir. I.R.S. Ctr., Fresno, CA.

AP '85 02

SAILS+3208910160056170294

29453440412032985

010000105 02008407010

Pay Any F.R.B. Branch or Gen. De-
positary for Credit U.S. Treas.
This is in Payment of U.S. Oblig.
Must be paid at Par N.P. Do Not
Wire Non-Payment. 20-09-8900
Dir. I.R.S. Ctr., Fresno, CA.

MY 28
REQ. CCCCC
1210-0037-4

MY '85 29

25653440412052685

SAILORS UNION OF THE PACIFIC
450 HARRISON STREET
GENERAL FUND

Nº 77794

11-8
1210

SAN FRANCISCO 7/18/83

PAY TO THE
ORDER OF

SAILORS' UNION OF THE PACIFIC POLITICAL FUND

\$ 4,500.00

The sum of 4500 dollars 00 cts.

DOLLARS

TO

CROCKER NATIONAL BANK
ONE CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA

Paul Dempster
Jack Ryan

⑈077794⑈ ⑆121000086⑆ 014080074⑈3333 ⑈0000450000⑈

85040384075

20

EXHIBIT B

86040364079

WELLS FARGO NATIONAL BANK

Name and No. **014 ONE CALIFORNIA ST.** Date **JANUARY 07, 1983**

WE CHARGED YOUR PASSBOOK ACCOUNT FOR THE FOLLOWING:
YOUR LETTER DATE ON JANUARY 06 1983
TO DEBIT YOUR SAVING ACCOUNT 0141005724-22 IN THE AMOUNT
OF \$7,000.00 TO BE MADE IN TO A CASHIER'S CHECK
PAY TO THE ORDER OF SAILORS' UNION OF THE PACIFIC

Account No. **0141005724-22** Type of Passbook Account
☒ Savings ☐ Bonus Passbook

SAILORS' UNION OF THE PACIFIC
450 HARRISON ST.
S.F. CALIF, 94105

TOTAL CHARGE **\$7,000.00**

01 5024 (REV. 1/73) **⑆5000⑆0000⑆ 0141005724⑆22 72**

... RATES, PLUS A TAX SHELTER, AND SAFETY WITH A BANK OF AMERICA

1120-POL

U.S. Income Tax Return
for Certain Political OrganizationsU.S. Income Tax Return
for Certain Political OrganizationsTo be filed by these organizations having taxable income (line 19).
For Paperwork Reduction Act Notice, see instructions on page 3.

OMB No. 1545-0179

1982

Under year 1982 or other tax year beginning 1982 and ending 19

you are a section 501(c) organization (see instruction A3) or a separate segregated fund described in section 527(1)(3), check here ☐

Name of organization

CLOR'S UNION OF THE PACIFIC POLITICAL FUND

Employer identification number (see instruction O)

94-2565344

Number and street

50 HARRISON STREET

Date organization formed

11.1.64

City or town, State and ZIP code

SAN FRANCISCO, CA 94105

If you are a principal campaign committee (see instruction B.2 on page 3), check here ☐

Name of candidate

NONE IN PARTICULAR

The books are in care of

B. TYNAN

at 450 HARRISON ST., SF, CA. 94105

Telephone No. (415) 421-8603

1 Dividends (attach schedule)	1		
2 Interest	2	9791	30
3 Gross rents	3		
4 Gross royalties	4		
5 Capital gain net income from Schedule D (Form 1120), line 11 (attach separate Schedule D (Form 1120))	5		
6 Net gain or (loss) from Form 4797, line 11(a), Part II (attach Form 4797)	6		
7 Other income (see "Note" in instruction D—attach schedule)	7		
8 Total income (add lines 1 through 7)	8	9791	30
9 Salaries and wages	9		
10 Repairs	10		
11 Rents	11		
12 Taxes	12		
13 Interest	13		
14 Depreciation from Form 4562 (attach Form 4562)	14		
15 Other deductions (attach schedule)	15		
16 Total deductions (add lines 9 through 15)	16		
17 Taxable income before specific deduction of \$100 (line 8 less line 16). (Section 501(c) organizations show: (a) amount of net investment income (see instruction A3(b)(ii)) and enter on line 17, the lesser of (a) or (b)).	17	9791	30
18 Less specific deduction of \$100 (not allowed for newsletter funds defined under section 527(g))	18	< 100	00
19 Taxable income (subtract line 18 from line 17)	19	9691	30
20 Tax imposed (see instruction B)	20	4458	00
21 Income tax (line 20 or alternative tax from Schedule D (Form 1120), line 17, whichever is less)	21		
22 Foreign tax credit (attach Form 1118)	22		
23 Total tax—Subtract line 22 from line 21	23		
24 Credits: (a) Tax deposited: Form 7004 Form 7005 (attach) Total	24		
(b) Credit from regulated investment companies (attach Form 2439)	24		
25 Tax due (subtract line 24 from line 23). See instruction I for depositary method of payment	25	4458	00
26 Overpayment (subtract line 23 from line 24)	26		

- Foreign trusts
- 1 At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instruction T)? ☐ Yes ☒ No
- 2 Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? ☐ Yes ☒ No
- If "Yes," you may have to file Forms 3520, 3520-A or 926.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

Preparer's signature

Date

Check if self-employed

Preparer's social security no.

Firm's name (or yours, if self-employed) and address

E.I. No.

ZIP code

EXHIBIT C

GF	BC	BW	OL	POL	ST						
----	----	----	----	-----	----	--	--	--	--	--	--

EXHIBIT D

EXHIBIT D

JOHN F. HENNING, JR.
JEFFREY R. WALSH
JAMES R. RITCHIE
KATHLEEN S. KING
VICTOR C. THUESEN
OF COUNSEL
JOHN PAUL JENNINGS

HENNING, WALSH & RITCHIE

LAW OFFICES
100 BUSH STREET, SUITE 440
SAN FRANCISCO, CALIFORNIA 94104
TELEPHONE (415) 981-4400

OF COUNSEL
ROSS & KUHNS*
25 CENTRAL PARK WEST
NEW YORK, NEW YORK 10023
TELEPHONE (212) 752-5566

PRACTICE LIMITED TO
NEW YORK & WASHINGTON, D.C.

151

January 29, 1986

Mr. John Warren McGarry, Chairman
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

ATTN: Beverly Kramer

Re: MUR2107, Sailors' Union of the Pacific Political Fund

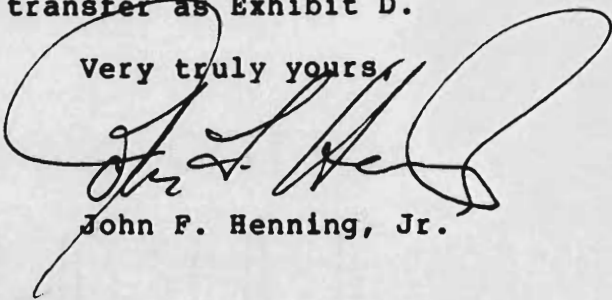
Dear Ms. Kramer:

Pursuant to our last discussion on this matter, I am enclosing for your files the following documents:

- (1) Copies of checks on payment of taxes to IRS from January 6, 1983, through May 20, 1985, Exhibit A;
- (2) Copies of checks amounting to \$11,500 from the Sailors' Union of the Pacific to the Political Fund, Exhibit B; and
- (3) The Fund's 1982 tax return, filed on or about July 18, 1983, Exhibit C.

The sum of \$11,500 was transferred into the account of the Sailors' Union of the Pacific on April 24, 1985, from a maturing certificate of deposit on the Fund's account for which there is no transfer check, but I am enclosing a copy of our internal books reflecting the transfer as Exhibit D.

Very truly yours,


John F. Henning, Jr.

cc: Paul Dempster
B. Tynan

RECEIVED
GENERAL COUNSEL

36 FEB 4 ALL: 46

25 FEB 4 ALL: 03

36040504082

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

147

JANUARY 06 1983

11-35
1210

DAY
TO THE
ORDER OF

INTERNAL REVENUE SERVICE

\$ 6,667.80

The sum of 6667 dol's 80 cts

DOLLARS

BANK OF AMERICA
HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For

⑆000147⑆ ⑆121000358⑆ 02671⑆01460⑆

⑆000066780⑆

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

148

JANUARY 25 1983

11-35
1210

DAY
TO THE
ORDER OF

INTERNAL REVENUE SERVICE

\$ 668.83

The sum of 668 dol's 83 cts

DOLLARS

BANK OF AMERICA
HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For ID# 94-2565344 1120 PO. 12/31/79

⑆000148⑆ ⑆121000358⑆ 02671⑆01460⑆

⑆0000066883⑆

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

I.D.# 94-2565344

162

MAY 18 1983

11-35
1210

DAY
TO THE
ORDER OF

INTERNAL REVENUE SERVICE

\$ 354.23

The sum of 354 dol's 23 cts

DOLLARS

BANK OF AMERICA
HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For

⑆000162⑆ ⑆121000358⑆ 02671⑆01460⑆

⑆0000035423⑆

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

166

JULY 18 1983

11-35
1210

DAY
TO THE
ORDER OF

INTERNAL REVENUE SERVICE

\$ 4,458.00

The sum of 4458 dol's 00 cts

DOLLARS

BANK OF AMERICA
HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For 1120-POL 1982

⑆000166⑆ ⑆121000358⑆ 02671⑆01460⑆

⑆0000445800⑆

EXHIBIT A

85040364083

Pay Any F.R.B. Branch or Gen. De-
positary for Credit U.S. Treas.
This is in Payment of U.S. Oblig.
Must be paid at Par N.P. Do Not
Wire Non-Payment 20-09-8900
Dir. I.R.S. Ctr., Fresno, CA

89320-013-014-00-3 (10) 07

013303 0133 013303

Pay Any F.R.B. Branch or Gen. De-
positary for Credit U.S. Treas.
This is in Payment of U.S. Oblig.
Must be paid at Par N.P. Do Not
Wire Non-Payment 20-09-8900
Dir. I.R.S. Ctr., Fresno, CA

FB 07 07

FB 07 07

020407 0000 000000

010018460 000000070100

Pay Any F.R.B. Branch or Gen. De-
positary for Credit U.S. Treas.
This is in Payment of U.S. Oblig.
Must be paid at Par N.P. Do Not
Wire Non-Payment 20-09-8900
Dir. I.R.S. Ctr., Fresno, CA

80ZJ893171431573021 80004

MY 07 24

MY 07 24

00000000

1210-0037-4

75693440117052103

000000000 000000070100

Pay Any F.R.B. Branch or Gen. De-
positary for Credit U.S. Treas.
This is in Payment of U.S. Oblig.
Must be paid at Par N.P. Do Not
Wire Non-Payment 20-09-8900
Dir. I.R.S. Ctr., Fresno, CA

SAIL893712032390636180294

JY 07 25

JY 07 25

00000000

1210-0037-4

75653440212072103

85040304084

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

169

PAY
TO THE
ORDER OF

IRS Internal Revenue Service

JAN 31 1984

11-25
1210

The sum of 1384 dol's 57 ct.

\$1384.57

DOLLARS

BANK OF AMERICA

HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For

⑆000169⑆ ⑆121000358⑆ 02671⑆01460⑆

⑆0000138457⑆

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

171

PAY
TO THE
ORDER OF

INTERNAL REVENUE SERVICE

MARCH 9 1984

11-25
1210

The sum of 2857 dol's 24 ct.

\$2,857.24

DOLLARS

BANK OF AMERICA

HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For

⑆000171⑆ ⑆121000358⑆ 02671⑆01460⑆

⑆0000285724⑆

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

191

PAY
TO THE
ORDER OF

I.R.S. Internal Revenue Service

MARCH 27 1985

11-25
1210

The sum of \$3000 and 00/100

\$3000.00

DOLLARS

BANK OF AMERICA

HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For

1120-POL 94-2565344

⑆000191⑆ ⑆121000358⑆ 02671⑆01460⑆

⑆0000305000⑆

SAILORS UNION OF THE PACIFIC
SAILORS POLITICAL FUND
450 HARRISON STREET
SAN FRANCISCO, CALIFORNIA 94105

195

PAY
TO THE
ORDER OF

INTERNAL REVENUE SERVICE

MAY 20 1985

11-25
1210

The sum of 172 dol's 14 ct.

\$172.14

DOLLARS

BANK OF AMERICA

HARBOR BRANCH
120 HOWARD STREET
SAN FRANCISCO, CALIF. 94105

For

⑆000195⑆ ⑆121000358⑆ 02671⑆01460⑆

⑆0000017214⑆

86040784086

FB '84 06

PER CCCCC

1210-0037-4

010000000 000004070101

Pay Any F.R.B. Branch or Gen. Depository for Credit U.S. Treas. This is in Payment of U.S. Oblig. Must be paid at Par N.P. Do Not Wire Non-Payment. 20-09-8900 Dir. I.R.S. Ctr., Fresno, CA.

FB '84 06

002093370347101746700794

25653440412037004

010023577 031984070207

Pay Any F.R.B. Branch or Gen. Depository for Credit U.S. Treas. This is in Payment of U.S. Oblig. Must be paid at Par N.P. Do Not Wire Non-Payment. 20-09-8900 Dir. I.R.S. Ctr., Fresno, CA.

MR '84 20

PER CCCCC

1210-0037-4

25653440412037004

SAIL893200706100146100294

0000 000 046 00070004

Pay Any F.R.B. Branch or Gen. Depository for Credit U.S. Treas. This is in Payment of U.S. Oblig. Must be paid at Par N.P. Do Not Wire Non-Payment. 20-09-8900 Dir. I.R.S. Ctr., Fresno, CA.

AP '85 02

SAIL5-3200910160054190794

29653440412037005

010000000 000000000101

Pay Any F.R.B. Branch or Gen. Depository for Credit U.S. Treas. This is in Payment of U.S. Oblig. Must be paid at Par N.P. Do Not Wire Non-Payment. 20-09-8900 Dir. I.R.S. Ctr., Fresno, CA.

MY 28

PER CCCCC

1210-0037-4

25653440412037005

MY '85 28

SAIL5-3200910160054190794

86040364087

SAILORS UNION OF THE PACIFIC
450 HARRISON STREET
GENERAL FUND

No 77794

11-8
1210

SAN FRANCISCO, 7/18/83

PAY TO THE
ORDER OF

SAILORS' UNION OF THE PACIFIC POLITICAL FUND

\$ 4,500.00

The sum of 4500 dol's 00 cts

DOLLARS

TO

CROCKER NATIONAL BANK
ONE CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA

Paul Dempster
Jack Ryan

#077794# 1210000865

0140800743333

#0000450000#

EXHIBIT B

For Deposit Only

86040364089

NATIONAL BANK

06072165

11-3
1210

7.1983

DATE JANUARY 07, 1983

ORDER OF *****SAILORS'S UNION OF THE PACIFIC*****7,000.00*****
POLITICAL FUND 01451117.00011100005

DOLLARS

AUTHORIZED SIGNATURE

CASHIER'S CHECK
SAN FRANCISCO CALIFORNIA

0

PASSBOOK ACCOUNT DEBIT

36040584090

BANK OF AMERICA NATIONAL BANK	
Name and No. 014 ONE CALIFORNIA ST.	Date JANUARY 07, 1983
RECHARGED YOUR PASSBOOK ACCOUNT FOR THE FOLLOWING:	
PER YOUR LETTER DATE ON JANUARY 06, 1983	
TO DEBIT YOUR SAVING ACCOUNT 0141005724-22 IN THE AMOUNT	
OF \$7,000.00 TO BE MADE IN TO A CASHIER'S CHECK	
PAY TO THE ORDER OF SAILORS' UNION OF THE PACIFIC	
Account No. 0141005724-22	Type of Passbook Account ☒ Savings ☐ Bonus Passbook
SAILORS' UNION OF THE PACIFIC 450 HARRISON ST. S.F. CALIF, 94105	TOTAL CHARGE \$7,000.00
01 5026 (REV. 3-79)	⑆5000⑈0000⑆ 0141005724-22 72
EARN MORE INTEREST, PLUS A TAX SHELTER, AND SAFETY WITH A BANK OF AMERICA	

1120-POL

U.S. Income Tax Return for Certain Political Organizations

To be filed by those organizations having taxable income (line 19).
For Paperwork Reduction Act Notice, see instructions on page 3.

OMB No. 1545-0129

1982

calendar year 1982 or other tax year beginning 1982 and ending 19
you are a section 501(c) organization (see instruction A.3) or a separate segregated fund described in section 527(i)(3), check here ☐

name of organization ILOR'S UNION OF THE PACIFIC POLITICAL FUND
number and street 50 HARRISON STREET
city or town, state and ZIP code NEW FRANCISCO, CA 94105
Employer identification number (see instruction O) 94-2565344
Date organization formed 11-1-64
If you are a principal campaign committee (see instruction B.2 on page 3), check here ☐

name of candidate NONE IN PARTICULAR The books are in care of B. TYNAN
at 450 HARRISON ST., SF, CA. 94105 Telephone No. (415) 421-8603

1	Dividends (attach schedule)		
2	Interest	9791	30
3	Gross rents		
4	Gross royalties		
5	Capital gain net income from Schedule D (Form 1120), line 11 (attach separate Schedule D (Form 1120))		
6	Net gain or (loss) from Form 4797, line 11(a), Part II (attach Form 4797)		
7	Other income (see "Note" in instruction D—attach schedule)		
8	Total income (add lines 1 through 7)	9791	30
9	Salaries and wages		
10	Repairs		
11	Rents		
12	Taxes		
13	Interest		
14	Depreciation from Form 4562 (attach Form 4562)		
15	Other deductions (attach schedule)		
16	Total deductions (add lines 9 through 15)		
17	Taxable income before specific deduction of \$100 (line 8 less line 16). (Section 501(c) organizations show: (a) amount of net investment income (see instruction A3(b)(ii)) (b) aggregate amount expended for an exempt function (attach schedule) and enter on line 17, the lesser of (a) or (b)).	9791	30
18	Less specific deduction of \$100 (not allowed for newsletter funds defined under section 527(g))	< 100	00
19	Taxable income (subtract line 18 from line 17)	9691	30
20	Tax imposed (see instruction B)	4458	00
21	Income tax (line 20 or alternative tax from Schedule D (Form 1120), line 17, whichever is less)		
22	Foreign tax credit (attach Form 1118)		
23	Total tax—Subtract line 22 from line 21		
24	Credits: (a) Tax deposited: Form 7004 Form 7005 (attach) Total (b) Credit from regulated investment companies (attach Form 2439)		
25	Tax due (subtract line 24 from line 23). See instruction I for depositary method of payment	4458	00
26	Overpayment (subtract line 23 from line 24)		

Foreign trusts
1 At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instruction T)? ☐ Yes ☒ No
2 Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? ☐ Yes ☒ No
If "Yes," you may have to file Forms 3520, 3520-A or 926.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer Tand Dempster Date 7-18-83 Title PRESIDENT

Preparer's signature Date Check if self-employed ☐ Preparer's social security no.

5 Firm's name (or yours if self-employed) and address E.I. No. ZIP code

EXHIBIT C

[illegible]

86040784093

HENNING, WALSH & RITCHIE

Attorneys at Law

**Suite 440, Shell Building
100 Bush Street, San Francisco, California 94104**

To: Mr. John Warren McGarry, Chairman
Federal Election Commission
1225 K Street, N.W.
Washington, D.C. 20462

JOHN F. HENNING, JR.
JEFFREY R. WALSH
JAMES R. RITCHIE
KATHLEEN S. KING
VICTOR C. THUESEN
OF COUNSEL
JOHN PAUL JENNINGS

HENNING, WALSH & RITCHIE

LAW OFFICES
100 BUSH STREET, SUITE 440
SAN FRANCISCO, CALIFORNIA 94104
TELEPHONE (415) 981-4400

RECEIVED AT THE FEE
HAND DELIVERED

86 JAN 10 P12:15

OF COUNSEL Gert #9468

ROBB & KUHN*
25 CENTRAL PARK WEST
NEW YORK, NEW YORK 10023
TELEPHONE (212) 752-5566

*PRACTICE LIMITED TO
NEW YORK & WASHINGTON, D.C.

151

January 8, 1986

VIA FEDERAL EXPRESS

Mr. John Warren McGarry, Chairman
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 2107, Sailor's Union
of the Pacific Political Fund

Dear Mr. McGarry:

Your letter of December 13, 1985, has been forwarded to me for response. As the below discussion indicates, we believe that the transaction at issue herein raises certain "definitional" issues for purposes of jurisdiction under 2 U.S.C. §441b(a), and that, otherwise, the Fund has complied with the reporting requirements incumbent upon it under the applicable provisions and regulations of the Federal Election Campaign Act of 1971.

Discussion

A review of the General Counsel's Analysis, attached to your correspondence, reflects the following allegations which will be responded to in turn:

1. That the Fund violated 2 U.S.C. §441b(a) by accepting loans totaling \$11,500 from the Sailor's Union of the Pacific to pay federal taxes on the earned interest income of the Fund.

Response. Inasmuch as the challenged expenditure was made to pay federal taxes accrued on earned interest, which interest was not solicited or contributed to the Fund, the acceptance of monies from the Sailor's Union of the Pacific to make such payment is beyond the jurisdiction of 2 U.S.C. §441b(a) since the transfer of monies was not made "in connection with any election to any political office, or in connection with any primary election or political convention or caucus...."

86 JAN 10 P3:31

004094

Mr. John Warren McGarry, Chairman
Federal Election Commission
January 8, 1986
Page Two

360407640005
The obligation to pay taxes upon earned interest on Fund accounts predated the adoption of the Federal Election Campaign Act of 1971, as did also the Sailor's Union of the Pacific Political Fund; and, the payment of such taxes is functionally separate from, and wholly unrelated to, any political activity of any kind. And, this conclusion is not altered by Advisory Opinion 1977-17 to the effect that taxes incurred on earned interest are not "administrative" expenses within the meaning of 2 U.S.C. §441(b)(2)(c) since that opinion did not address the threshold question of whether a tax obligation is "connected" to political activity.

More importantly, under the peculiar facts of this case, the provisions of Advisory Opinion 1979-23 would exclude the within transaction from consideration under 2 U.S.C §§441b(a) and 441b(b)(2). As provided by Advisory Opinion 1979-23, it is only where "a loan creates a legally enforceable obligation to repay" that it can be found that "a contribution exists." And that the existence of a written instrument "could be determinative of the question whether the transaction was in fact a loan rather than a gift, and therefore ceased to be a contribution when repaid to [the] lender." Ibid. In sum, if the transaction did not qualify as a "loan" within the meaning of Section 441b(b)(2), it would be deemed a "gift" within the meaning of said section which when "repaid" would be deemed a return of said "gift" to the original party, thereby compelling a finding that a "contribution" did not exist.

The subject transaction consisted of nothing more than a journal transfer of \$11,500 from the account of the Sailor's Union of the Pacific Political Action Fund. No written instrument memorialized the transaction, nor was a legally enforceable loan created by virtue of said transaction because, as a matter of California law, since the return of the "gift" was not to, and did not, occur within a year, the transaction would have to have been reduced to a written agreement to be enforceable under the Statute of Frauds provisions of California Civil Code Section 1624.

Mr. John Warren McGarry, Chairman
Federal Election Commission
January 8, 1986
Page Three

2. That the Fund violated 2 U.S.C §434(b)(E) by failing to report the receipt of loans totaling \$4,500, including the identification of the person making such loans, the date and amount of value of such loans.

Response. As reflected by the attached copy of the Fund's Amended July 7, 1983, Report of Receipts and Disbursements, attached hereto as Exhibit A, the receipt of \$7,000 is listed as a loan to the Fund, for reporting purposes; and, as reflected by the attached copy of the Fund's October 5, 1983, Report of Receipts and Disbursements, attached hereto as Exhibit B, the receipt of \$4,500 is reflected in the increase of the indebtedness of the Fund to the Sailor's Union of the Pacific to \$11,500. Notwithstanding the Commission's references to 1982 Reports as reflecting such transactions, no such evidence is reflected on the copies of said reports retained by the Fund.

But, responding to the allegation of a failure to report the \$4,500 transaction, the attached 1983 Reports do in fact reflect this increase in "indebtedness." And, as to the allegation that the Fund failed to itemize such transactions in Schedule C to the Report, the Fund supplied all requested information specified on the report form as applicable to the instant transaction.

The provisions of 11 C.F.R. §104.2 mandate that all required reports be filed on prescribed FEC forms, which filings in this instance were made in conformance with the information required by such form. The loan source was identified as the "Sailor's Union of the Pacific," the purpose identified as "for taxes" and the "original amount" and "balance" identified. The provision of "terms," "interest rate," "List of All Endorsers or Guarantors" was not supplied since such information and/or data was not generated by the "journal entry" transaction effected herein.

Mr. John Warren McGarry, Chairman
Federal Election Commission
January 8, 1986
Page Four

3. That the Fund violated 2 U.S.C. §434(b) (8) by failing to disclose the amount and nature of outstanding debts and obligations owed to the Sailor's Union of the Pacific for loans received by the fund.

Response. See preceding Response (2). Also Exhibits B and C hereto. The Fund has provided all information appropriate to the instant transaction as per 11 C.F.R. §104.2

4. That the Fund violated 11 C.F.R. §104.11 (a) by failing to continuously report outstanding debts owed to the Sailor's Union of the Pacific for loans received by the Fund.

Response. See preceding Response. The Fund has complied with Section 104.11 by providing that information required by the "Separate Schedules" provided by the FEC forms as they pertained to the instant transaction.

Conclusion

For the foregoing reasons, the Fund would respectfully submit that:

1. The instant transaction does not constitute a "contribution" or "loan" within the meaning of 2 U.S.C. §441b by compulsion of Advisory Opinion 1979-23; and

2. The Fund has otherwise provided all available information and data as generated by the journal entry transaction at issue herein and in compliance with the provisions of 11 C.F.R. §§104.2 and 104.11(a).

And, as a result, we believe there is insufficient evidence to support a finding of the statutory violations alleged herein.

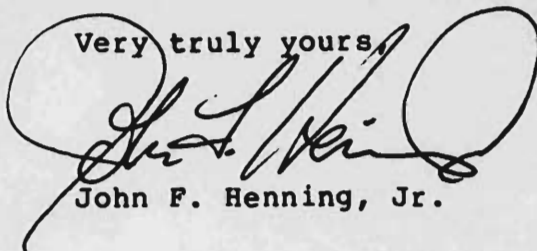
86040334037

LAW OFFICES OF HENNING, WALSH & RITCHIE

Mr. John Warren McGarry, Chairman
Federal Election Commission
January 8, 1986
Page Five

Notwithstanding, as referenced by your communication, the Fund is interested in pursuing pre-probable cause conciliation in order that the issues raised herein be resolved for further filing purposes; and, for this purpose, this response shall also be deemed a request for pre-probable cause conciliation pursuant to the provisions of 11 C.F.R. §111.18(d).

Very truly yours,



John F. Henning, Jr.

JFH/gcd:2049

Enclosures

cc: Paul Dempster, President
Sailor's Union of the Pacific

P.S. A Statement of Designation of Counsel is also enclosed herewith. As to the Request for Documents, as reflected above, there was no memorialization of the transaction nor was a check written by the Sailor's Union of the Pacific to the Fund covering such transaction between January 1, 1982, and May 1, 1985.

26040364098

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

(Summary Page)

2-83

1. Name of Committee (in Full) SAILORS UNION OF THE PACIFIC POLITICAL FUND Address (Number and Street) 450 HARRISON STREET City, State and ZIP Code SAN FRANCISCO, CA 94105 ☐ Check if address is different than previously reported.	4. TYPE OF REPORT (check appropriate boxes) (a) ☐ April 15 Quarterly Report ☒ July 15 Quarterly Report ☐ October 15 Quarterly Report ☐ January 31 Year End Report ☐ July 31 Mid Year Report (Non-election Year Only) ☐ Monthly Report for _____ ☐ Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____ ☐ Thirtieth day report following the General Election on _____ in the State of _____ ☐ Termination Report (b) Is this Report an Amendment? ☐ YES ☐ NO
2. FEC Identification Number C00-11338	
3. ☐ This committee qualified as a multicandidate committee during this Reporting Period on _____ (date)	

SUMMARY	Column A This Period	Column B Calendar Year-to-Date
5. Covering Period 4.1.83 Through 6.30.83		
6. (a) Cash on Hand January 1, 19 83		\$ 69,273.97
(b) Cash on Hand at Beginning of Reporting Period	\$ 69,237.67	
(c) Total Receipts (from Line 18)	\$ 4,623.78	\$ 14,526.67
(d) Subtotal (add lines 6(b) and 6(c) for Column A and lines 6(a) and 6(c) for Column B)	\$ 71,368.49	\$
7. Total Disbursements (from Line 28)	\$ 3,244.23	\$ 13,103.42
8. Cash on Hand at Close of Reporting Period (subtract line 7 from 6(d))	\$ 70,617.22	\$ 70,617.22
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C or Schedule D)	\$	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D)	\$ 7,000.00	

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

For further information, contact:

Federal Election Commission
Toll Free 800-424-9530
Local 202-523-4068

PAUL DEMPSTER
Type or Print Name of Treasurer
Paul Dempster
SIGNATURE OF TREASURER

7.7.83
Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §427c.

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

--	--	--	--	--	--	--	--	--

FEC FORM 3X (3/80)

EXHIBIT "A"

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

Name of Committee (in Full)
SAILOR'S UNION OF THE PACIFIC POLITICAL FUND

Report Covering the Period
From **4.1.83** to **6.30.83**

	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
I. RECEIPTS		
11. CONTRIBUTIONS (other than loans) FROM:		
(a) Individuals, Persons Other Than Political Committees	1,158.00	2,367.00
(Memo Entry Unitemized \$ <u>1,158.00</u>)		
(b) Political Party Committees		
(c) Other Political Committees		
(d) TOTAL CONTRIBUTIONS (other than loans) (add 11a, 11b and 11c)	1,158.00	2,367.00
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES		
13. ALL LOANS RECEIVED		7,000.00
14. LOAN REPAYMENTS RECEIVED		
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)		
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES		
17. OTHER RECEIPTS (Dividends, Interest, etc.)	3,465.78	5,159.67
18. TOTAL RECEIPTS (Add 11d, 12, 13, 14, 15, 16 and 17)	4,623.78	14,526.67
II. DISBURSEMENTS		
19. OPERATING EXPENDITURES	354.23	7,733.42
20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES		
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	2,390.00	4,950.00
22. INDEPENDENT EXPENDITURES (Use Schedule E)		
23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. §441a(d)) (Use Schedule E)		
24. LOAN REPAYMENTS MADE		
25. LOANS MADE		
26. REFUNDS OF CONTRIBUTIONS TO		
(a) Individuals, Persons Other Than Political Committees		
(b) Political Party Committees		
(c) Other Political Committees		
(d) TOTAL CONTRIBUTION REFUNDS (add 26a, 26b and 26c)		
27. OTHER DISBURSEMENTS	500.00	500.00
28. TOTAL DISBURSEMENTS (Add Lines 19, 20, 21, 22, 23, 24, 25, 26d and 27)	3,244.23	13,183.42
III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES		
29. TOTAL CONTRIBUTIONS (other than loans) from Line 11d	1,158.00	2,367.00
30. TOTAL CONTRIBUTION REFUNDS from Line 26d		
31. NET CONTRIBUTIONS (other than loans) (subtract Line 30 from Line 29)	1,158.00	2,367.00
32. TOTAL OPERATING EXPENDITURES from Line 19	354.23	7,733.42
33. OFFSETS TO OPERATING EXPENDITURES from Line 15		
34. NET OPERATING EXPENDITURES (subtract Line 33 from Line 32)	354.23	7,733.42

SCHEDULE B

ITEMIZED DISBURSEMENTS

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

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

Name of Committee (in Full)

AILOR'S UNION OF THE PACIFIC POLITICAL FUND

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
BOXER FOR CONGRESS SUITE 2300 333 MARKET ST. SF, CA 94105	CONTRIBUTION Disbursement for: ☒ Primary ☐ General ☐ Other (specify):	4.4.83	1,000.00
MENDS OF GEORGE MILLER P.O. BOX 5864 CONCORD, CA 94524	CONTRIBUTION Disbursement for: ☒ Primary ☒ General ☐ Other (specify):	5.4.83	390.00
ALA BURTON FOR CONGRESS P.O. BOX 4200 RCA 94101	CONTRIBUTION Disbursement for: ☒ Primary ☐ General ☒ Other (specify): SPECIAL ELECTION	5.16.83	1,000.00
Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		

TOTAL of Disbursements This Page (optional)

2,340.00

This Period: First Date this year: _____

2,390.00

NON - FEDERAL - LINE 27

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

Name of Committee (in Full)

AILOR'S UNION OF THE PACIFIC POLITICAL FUND

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
FRIENDS OF DAVID ROBERTI SACRAMENTO, CA	CONTRIBUTION	4.22.83	300.00

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
SHINGTON STATE DEMOCRATIC CENTRAL COMMITTEE X 4017 ATTLE, WA 98104	CONTRIBUTION	6.3.83	200.00

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		

Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		

TOTAL of Disbursements This Period (optional)

500.00

This Period (not applicable to line number 27)

500.00

ULEC
 and 3780)
 ATTACHMENT
 ENDMENT TO 6.30.83 REPORT

LOANS

Page 10
 LINE NUMBER 10
 (Use separate schedules
 for each numbered line)

Line of Committee for Full

SAILOR'S UNION OF THE PACIFIC POLITICAL FUND

Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
SAILOR'S UNION OF THE PACIFIC 450 HARRISON ST. SF 94105	7,000.00	—	7,000

TO PAY IRS TAXES

Section	Primary	General	Other Property	Date Incurred	Date Due	Interest Rate	Secured
1				1.6.83	7.83	—	

Endorsers or Guarantors of loan to item A

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

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

Section	Primary	General	Other Property	Date Incurred	Date Due	Interest Rate	Secured
---------	---------	---------	----------------	---------------	----------	---------------	---------

Endorsers or Guarantors of loan to item B

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

7,000.00

7,000.00

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

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

(Summary Page)

3-83

1. Name of Committee (in Full)
**SAILOR'S UNION OF THE PACIFIC
POLITICAL FUND**

Address (Number and Street)
450 HARRISON ST.

City, State and ZIP Code
SF, CA 94105

☐ Check if address is different than previously reported.

2. FEC Identification Number
C00-11338

3. ☐ This committee qualified as a multicandidate committee during this Reporting Period on _____ (date)

4. TYPE OF REPORT (check appropriate boxes)

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

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

SUMMARY		Column A This Period	Column B Calendar Year-to-Date
5. Covering Period	<u>7.1.83</u> Through <u>9.30.83</u>		
6. (a) Cash on Hand January 1, 19____			\$ 69,273.97
(b) Cash on Hand at Beginning of Reporting Period		\$ 70,617.22	
(c) Total Receipts (from Line 18)		\$ 7,290.07	\$ 21,816.74
(d) Subtotal (add lines 6(b) and 6(c) for Column A and lines 6(a) and 6(c) for Column B)		\$ 77,907.29	\$ 91,090.71
7. Total Disbursements (from Line 28)		\$ 6,258.00	\$ 19,441.42
8. Cash on Hand at Close of Reporting Period (subtract line 7 from 6(d))		\$ 71,649.29	\$ 71,649.29
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C or Schedule D)		\$	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D)		\$ 11,500.00	

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

For further information, contact:

Federal Election Commission
Toll Free 800-424-9530
Local 202-523-4068

PAUL DEMPSTER
Type or Print Name of Treasurer

Paul Dempster
SIGNATURE OF TREASURER

10.5.83
Date

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

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

--	--	--	--	--	--	--	--	--	--

FEC FORM 3X (3/80)

EXHIBIT "B"

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

Name of Committee (in Full)

SAILOR'S UNION OF THE PACIFIC POLITICAL FUND

Report Covering the Period:

From: **7.1.83** To: **9.30.83**

	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
I. RECEIPTS		
11. CONTRIBUTIONS (other than loans) FROM:		
(a) Individuals/Persons Other Than Political Committees	672.00	3,039.00
(Memo Entry Unitemized \$ 672.00)		
(b) Political Party Committees		
(c) Other Political Committees	672.00	3,039.00
(d) TOTAL CONTRIBUTIONS (other than loans) (add 11a, 11b and 11c)		
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES		
13. ALL LOANS RECEIVED		
14. LOAN REPAYMENTS RECEIVED	4,500.00	11,500.00
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)		
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES		
17. OTHER RECEIPTS (Dividends, Interest, etc.)	2,118.07	7,277.74
18. TOTAL RECEIPTS (Add 11d, 12, 13, 14, 15, 16 and 17)	7,290.07	21,816.74
II. DISBURSEMENTS		
19. OPERATING EXPENDITURES	4,458.00	12,191.42
20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES		
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	1,800.00	6,750.00
22. INDEPENDENT EXPENDITURES (Use Schedule E)		
23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. §441a(d)) (Use Schedule F)		
24. LOAN REPAYMENTS MADE		
25. LOANS MADE		
26. REFUNDS OF CONTRIBUTIONS TO:		
(a) Individuals/Persons Other Than Political Committees		
(b) Political Party Committees		
(c) Other Political Committees		
(d) TOTAL CONTRIBUTION REFUNDS (add 26a, 26b and 26c)		
27. OTHER DISBURSEMENTS		500.00
28. TOTAL DISBURSEMENTS (Add Lines 19, 20, 21, 22, 23, 24, 25, 26d and 27)	6,258.00	19,441.42
III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES		
29. TOTAL CONTRIBUTIONS (other than loans) from Line 11d	672.00	3,039.00
30. TOTAL CONTRIBUTION REFUNDS from Line 26d		
31. NET CONTRIBUTIONS (other than loans) (subtract Line 30 from Line 29)	672.00	3,039.00
32. TOTAL OPERATING EXPENDITURES from Line 19	4,458.00	12,191.42
33. OFFSETS TO OPERATING EXPENDITURES from Line 15		
34. NET OPERATING EXPENDITURES (subtract Line 33 from Line 32)	4,458.00	12,191.42

960405841

of Committee (in Full)

1,000.00

50 00

750 00

Amount of Each
Disbursement This Period

Amount of Each Disbursement This Period	Amount of Each Disbursement This Period	Amount of Each Disbursement This Period
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	101	102
103	104	105
106	107	108
109	110	111
112	113	114
115	116	117
118	119	120
121	122	123
124	125	126
127	128	129
130	131	132
133	134	135
136	137	138
139	140	141
142	143	144
145	146	147
148	149	150
151	152	153
154	155	156
157	158	159
160	161	162
163	164	165
166	167	168
169	170	171
172	173	174
175	176	177
178	179	180
181	182	183
184	185	186
187	188	189
190	191	192
193	194	195
196	197	198
199	200	201
202	203	204
205	206	207
208	209	210
211	212	213
214	215	216
217	218	219
220	221	222
223	224	225
226	227	228
229	230	231
232	233	234
235	236	237
238	239	240
241	242	243
244	245	246
247	248	249
250	251	252
253	254	255
256	257	258
259	260	261
262	263	264
265	266	267
268	269	270
271	272	273
274	275	276
277	278	279
280	281	282
283	284	285
286	287	288
289	290	291
292	293	294
295	296	297
298	299	300
301	302	303
304	305	306
307	308	309
310	311	312
313	314	315
316	317	318
319	320	321
322	323	324
325	326	327
328	329	330
331	332	333
334	335	336
337	338	339
340	341	342
343	344	345
346	347	348
349	350	351
352	353	354
355	356	357
358	359	360
361	362	363
364	365	366

Amount of Each
Disbursement This Period[illegible]Amount of Each
Disbursement This Period

Amount of Each Disbursement This Period

1,800 ⁰⁰

1800⁰⁰

LOANS

Name of Committee (in Full) SAILOR'S UNION OF THE PACIFIC POLITICAL FUND			
A. Full Name, Mailing Address and ZIP Code of Loan Source SAILOR'S UNION OF THE PACIFIC 450 HARRISON ST. SF, CA 94105 Election: ☐ Primary ☐ General ☒ Other (specify): FOR TAXES	Original Amount of Loan 11,500⁰⁰	Cumulative Payment To Date -	Balance Outstanding at Close of This Period 11,500⁰⁰
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (apr) ☐ Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: \$ _____		
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: \$ _____		
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: \$ _____		
B. Full Name, Mailing Address and ZIP Code of Loan Source Election: ☐ Primary ☐ General ☐ Other (specify) _____			
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (apr) ☐ Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: \$ _____		
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: \$ _____		
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: \$ _____		
SUBTOTALS This Period This Page (optional):			
TOTALS This Period (last page in this line only):			
11,500⁰⁰ 11,500⁰⁰			
Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2107

NAME OF COUNSEL: John F. Henning, Jr.

ADDRESS: Henning, Walsh & Ritchie
100 Bush Street, Suite 440
San Francisco, California 94104

TELEPHONE: (415) 981-4400

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

December 26, 1985
Date

Paul Dempster
Signature
Paul Dempster, Treasurer

RESPONDENT'S NAME: Sailors' Union of the Pacific Political Fund

ADDRESS: 450 Harrison Street
San Francisco, California 94105

HOME PHONE: (415) 687-0638

BUSINESS PHONE: (415) 362-8363

06040589108



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 13, 1985

Paul Dempster, Treasurer
Sailor's Union of the Pacific Political Fund
450 Harrison Street
San Francisco, California 94105

RE: MUR 2107
Sailor's Union of the
Pacific Political Fund
Paul Dempster, as treasurer

Dear Mr. Dempster:

On November 29, 1985, the Federal Election Commission determined that there is reason to believe the Sailor's Union of the Pacific Political Fund and you, as treasurer, violated 2 U.S.C. § 441b(a) § 434(b)(3)(E), § 434(b)(8) and 11 C.F.R. § 104.11(a), provisions of the Federal Election Campaign Act of 1971, as amended. 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 request for documents, within fifteen days of your receipt of this letter.

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so

85040584109

that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

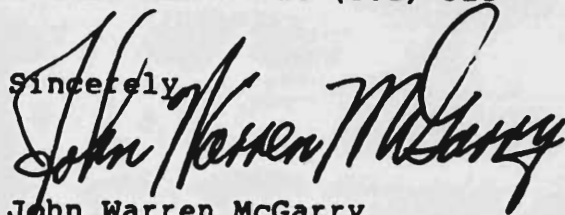
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

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

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

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

Sincerely,



John Warren McGarry
Chairman

Enclosures

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

0160304110

REQUEST FOR DOCUMENTS

**To: Sailor's Union of the Pacific
Political Fund
Paul Dempster, treasurer
450 Harrison Street
San Francisco, California 94105**

- 1. Please provide copies of all loan documents pertaining to loans made by the Sailor's Union of the Pacific to the Sailor's Union of the Pacific Political Fund between January 1, 1982 and May 1, 1985.**
- 2. Please provide copies of all checks (front and back) representing repayment to the Union by the Political Fund for loans received between January 1, 1982 and May 1, 1985.**

86040584111

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. 2107
STAFF MEMBER & TEL. NO.
Beverly Kramer (202) 523-4143

RESPONDENT: Sailor's Union of the Pacific
Political Fund
Paul Dempster, as treasurer

GENERATION OF MATTER

The Reports Analysis Division referred this matter to the Office of the General Counsel on October 16, 1985.

SUMMARY OF ALLEGATIONS

It is alleged that the Sailor's Union of the Pacific Political Fund and Paul Dempster, as treasurer, violated 2 U.S.C. § 441b(a) by accepting loans totalling \$11,500 from its connected organization to pay Federal taxes on the earned interest income of the separate segregated fund.

Information in the referral raises the additional issues of whether the Sailor's Union of the Pacific Political Fund and Paul Dempster, as treasurer, violated:

- 2 U.S.C. § 434(b)(3)(E) by failing to report the receipt of loans totalling \$4,500 including the identification of the person making such loans, the date and amount of value of such loans.
- 2 U.S.C. § 434(b)(8) by failing to disclose the amount and nature of outstanding debts and obligations owed to the Union for loans received by the Political Fund.
- 11 C.F.R. § 104.11(a) by failing to continuously report outstanding debts owed to the Union for loans received by the Political Fund.

FACTUAL AND LEGAL ANALYSIS

1. The Facts

The Sailor's Union of the Pacific ("the Union") is a "labor organization" within the meaning of 2 U.S.C. § 441b(b)(1). The

0040504112

Sailor's Union of the Pacific Political Fund ("Political Fund") is the separate segregated fund of the Union and a "political committee" within the meaning of 2 U.S.C. § 431(4)(B). Paul Dempster is the treasurer of the Political Fund.

8 6 0 4 0 3 0 4 1 3
Reports and statements filed by the Political Fund reveal that in 1982 and 1983 the Political Fund accepted several loans totalling \$11,500 from the Union to pay its Federal income taxes. In an amendment to its 1983 July Quarterly report, the Political Fund disclosed the receipt of a \$7000 loan incurred on January 6, 1983 for which repayment was due July 1983. In its 1983 October Quarterly report, the Political Fund reported an increase of \$4,500 in the amount of the loan from the Union but showed no corresponding receipt of a loan in this amount. Subsequent reports filed by the Political Fund disclosed an \$11,500 loan from the Union with a date incurred of "1982 and 1983."

On March 27, 1985, the Reports Analysis Division mailed a request for additional information seeking clarification of the nature of the \$11,500 loan. A second notice was mailed on April 18, 1985 when the Political Fund failed to respond to the first notice.

By letter dated April 26, 1985, Brandon Tynan, Controller of the Union, advised the Commission that the loan was a series of several loans made by the Union to the Political Fund to pay Federal taxes that came due at a time when the operating account of the Political Fund did not have enough money to pay the tax when due and no investment was due to mature to transfer money to cover it. The letter further advised that in order to correct

this situation, the Political Fund would transfer money back to the Union. On July 12, 1985, the Political Fund filed its 1985 Mid-Year Report which disclosed an \$11,500 loan repayment to the Union on April 24, 1985.

A review of Reports filed by the Political Fund in 1982 reveals that the Political Fund failed to report the receipt of loans from the Union totalling \$4,500. All receipts of the Political Fund were listed as unitemized. Moreover, the reports of the Political Fund failed to disclose outstanding debts and obligations owed to the Union for the loans in question. Payments for Federal taxes were included in the unitemized totals for the operating expenditures of the Political Fund. However, in the Political Fund's 1982 April Quarterly report, a memo entry on the detailed summary page discloses payment of Federal taxes in the amount of \$3,297.79.

2. The Law

a. Reporting Requirements

Section 434(b)(3)(E) of Title 2, United States Code, requires the treasurer of a political committee to file reports with the Commission disclosing the identification of each person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and date and amount of value of such loan. See also 11 C.F.R. § 104.3(a)(4)(iv). The term "person" as defined by the Act includes a labor organization. 2 U.S.C. § 431(11).

Section 434(b) (8) of Title 2, United States Code, requires the treasurer of a political committee to file reports with the Commission disclosing the amount and nature of outstanding debts and obligations owed by such political committee. See also, 11 C.F.R. § 104.3(d). Debts and obligations owed by a political committee which remain outstanding must be continuously reported until extinguished, pursuant to 11 C.F.R. § 104.11(a).

b. Section 441b(a) - Prohibited Contributions

Section 441b(a) of Title 2, United States Code, prohibits a labor organization from making a "contribution or expenditure" in connection with Federal elections. This section also prohibits a political committee from knowingly accepting such prohibited contribution. For purposes of this section, the term "contribution or expenditure" is defined broadly to prohibit labor organizations from providing "any direct or indirect payment...loan...to any candidate, campaign committee or political party or organization" in connection with a federal election. 2 U.S.C. § 441b(b) (2). Specifically excepted, however, are the costs incurred for the establishment, administration and solicitation of contributions to a separate segregated fund utilized for political purposes by a labor organization. 2 U.S.C. § 441b(b) (2) (C). In Advisory Opinion 1977-19 the Commission considered the issue of whether taxes incurred on the earned interest income of a separate segregated fund are "administrative" expenses within the meaning of 2 U.S.C. § 441b(b) (2) (C) and concluded that they are not. The Commission reasoned that "a tax obligation on income generated by the

depositing in an interest bearing account of unused contributions to a separate segregated fund is not incurred in the pursuit of voluntary contributions, the maintenance of those contributions, or the utilization of those contributions for political purposes'." See A.O. 1977-19, Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5252.

3. **Application of the Law to the Facts**

The record in this case reveals that in 1982 and 1983 the Political Fund knowingly accepted loans from the Union totalling \$11,500, in violation of 2 U.S.C. § 441b(a).

The record further reveals that the Political Fund failed to report the receipt of loans from the Union totalling \$4,500 in violation of 2 U.S.C. § 434(b)(3)(E). In addition, the record reveals that the Political Fund failed disclose outstanding debts and obligations owed by them to the Union, and that the Political Fund failed to continuously report the outstanding debt and obligation until it was extinguished, in violation of 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.11(a).

In view of the foregoing, the Office of the General Counsel recommends that the Commission take the following actions: (1) open a matter under review; and (2) find reason to believe the Political Fund and Paul Dempster, as treasurer, violated 2 U.S.C. §§ 441b(a), 434(b)(3)(E), 434(b)(8) and 11 C.F.R. § 104.11(a).

95040504115

DESCRIPTION OF PRELIMINARY PROCEDURES
FOR PROCESSING POSSIBLE VIOLATIONS DISCOVERED BY THE
FEDERAL ELECTION COMMISSION

Possible violations discovered during the normal course of the Commission's supervisory responsibilities shall be referred to the Enforcement Division of the Office of General Counsel where they are assigned a MUR (Matter Under Review) number, and assigned to a staff member.

Following review of the information which generated the MUR, a recommendation on how to proceed on the matter, which shall include preliminary legal and factual analysis, and any information compiled from materials available to the Commission shall be submitted to the Commission. This initial report shall recommend either: (a) that the Commission find reason to believe that a possible violation of the Federal Election Campaign Act (FECA) may have occurred or is about to occur and that the Commission conduct an investigation of the matter; or (b) that the Commission find no reason to believe that a possible violation of the FECA has occurred and that the Commission close the file on the matter.

Thereafter, if the Commission decides by an affirmative vote of four (4) Commissioners that there is reason to believe that a violation of the Federal Election Campaign Act (FECA) has been committed or is about to be committed, the Office of the General Counsel shall open an investigation into the matter. Upon notification of the Commission's finding(s), within 15 days a respondent(s) may submit any factual or legal materials relevant to the allegations. During the investigation, the Commission shall have the power to subpoena documents, to subpoena individuals to appear for depositions, and to order answers to interrogatories. The respondent(s) may be contacted more than once by the Commission in its investigation.

If, during this period of investigation, the respondent(s) indicate a desire to enter into conciliation, the Office of General Counsel staff may begin the conciliation process prior to a finding of probable cause to believe a violation has been committed. Conciliation is an informal method of conference and persuasion to endeavor to correct or prevent a violation of the Federal Election Campaign Act (FECA). Most often, the result of conciliation is an agreement signed by the Commission and the respondent(s). The Conciliation Agreement must be adopted by four votes of the Commission before it becomes final. After signature by the Commission and the respondent(s), the Commission shall make public the Conciliation Agreement.

[If the investigation warrants], and no conciliation agreement is entered into prior to a probable cause to believe finding, the General Counsel must notify the respondent(s) of his intent to proceed to a vote on probable cause to believe that a violation of the Federal Election Campaign Act (FECA) has been committed or is about to be committed. Included with the notification to the respondent(s) shall be a brief setting forth the position of the General Counsel on the legal and factual issues of the case. Within 15 days of receipt of such brief, the respondent(s) may submit a brief posing the position of respondent(s) and replying to the brief of the General Counsel. Both briefs will then be filed with the Commission Secretary and will be considered by the Commission. Thereafter, if the Commission determines by an affirmative vote of four (4) Commissioners, that there is probable cause to believe that a violation of the FECA has been committed or is about to be committed conciliation must be undertaken for a period of at least 30 days but not more than 90 days. If the Commission is unable to correct or prevent any violation of the FECA through conciliation the Office of General Counsel may recommend that the Commission file a civil suit against the respondent(s) to enforce the Federal Election Campaign Act (FECA). Thereafter, the Commission may, upon an affirmative vote of four (4) Commissioners, institute civil action for relief in the District Court of the United States.

See 2 U.S.C. § 437g, 11 C.F.R. Part 111.

November 1980

STATEMENT OF DESIGNATION OF COUNSEL

MUR _____

NAME OF COUNSEL: _____

ADDRESS: _____

TELEPHONE: _____

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

Date

Signature

RESPONDENT'S NAME: _____

ADDRESS: _____

HOME PHONE: _____

BUSINESS PHONE: _____

96040584119



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 13, 1985

**Paul Dempster, President
Sailor's Union of the Pacific
450 Harrison Street
San Francisco, California 94105**

**RE: MUR 2107
Sailor's Union of the
Pacific**

Dear Mr. Dempster:

On November 29 , 1985, the Federal Election Commission determined that there is reason to believe the Sailor's Union of the Pacific violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. 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 Union. 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 request for documents, within fifteen days of your receipt of this letter.

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so

86040504120

that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

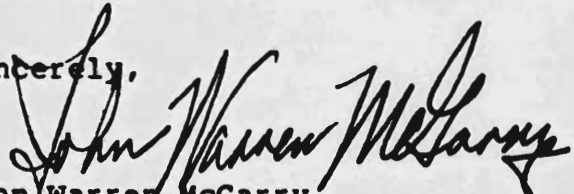
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

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

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

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

Sincerely,


John Warren McGarry
Chairman

Enclosures

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

REQUEST FOR DOCUMENTS

**To: Sailor's Union of the Pacific
Paul Dempster, President
450 Harrison Street
San Francisco, California 94105**

- 1. Please provide copies of all loan documents pertaining to loans made by the Sailor's Union of the Pacific to the Sailor's Union of the Pacific Political Fund between January 1, 1982 and May 1, 1985.**
- 2. Please provide copies of all bank statements, checks (front and back) and deposit slips pertaining to loans made by the Sailor's Union of the Pacific to the Sailor's Union of the Pacific Political Fund between January 1, 1982 and May 1, 1985, and the repayment of such loans by the Political Fund.**

86040584122

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. 2107
STAFF MEMBER & TEL. NO.
Beverly Kramer (202) 523-4143

RESPONDENT: Sailor's Union of the Pacific

GENERATION OF MATTER

The Reports Analysis Division referred this matter to the Office of the General Counsel on October 16, 1985.

SUMMARY OF ALLEGATIONS

It is alleged that the Sailor's Union of the Pacific violated 2 U.S.C. § 441b(a) by loaning general treasury funds of \$11,500 to its separate segregated fund to pay Federal taxes on the earned interest income of the separate segregated fund.

FACTUAL AND LEGAL ANALYSIS

1. The Facts

The Sailor's Union of the Pacific ("the Union") is a "labor organization" within the meaning of 2 U.S.C. § 441b(b)(1). The Sailor's Union of the Pacific Political Fund ("Political Fund") is the separate segregated fund of the Union and a "political committee" within the meaning of 2 U.S.C. § 431(4)(B). Paul Dempster is the treasurer of the Political Fund.

Reports and statements filed by the Political Fund reveal that in 1982 and 1983 the Political Fund accepted several loans totalling \$11,500 from the Union to pay its Federal income taxes. In an amendment to its 1983 July Quarterly report, the Political Fund disclosed the receipt of a \$7000 loan incurred on January 6, 1983 for which repayment was due July 1983. In its 1983 October Quarterly report, the Political Fund reported an increase of

86040584123

\$4,500 in the amount of the loan from the Union but showed no corresponding receipt of a loan in this amount. Subsequent reports filed by the Political Fund disclosed an \$11,500 loan from the Union with a date incurred of "1982 and 1983."

On March 27, 1985, the Reports Analysis Division mailed a request for additional information seeking clarification of the nature of the \$11,500 loan. A second notice was mailed on April 18, 1985 when the Political Fund failed to respond to the first notice.

By letter dated April 26, 1985, Brandon Tynan, Controller of the Union, advised the Commission that the loan was a series of several loans made by the Union to the Political Fund to pay Federal taxes that came due at a time when the operating account of the Political Fund did not have enough money to pay the tax when due and no investment was due to mature to transfer money to cover it. The letter further advised that in order to correct this situation, the Political Fund would transfer money back to the Union. On July 12, 1985, the Political Fund filed its 1985 Mid-Year Report which disclosed an \$11,500 loan repayment to the Union on April 24, 1985.

2. The Law

Section 441b(a) of Title 2, United States Code, prohibits a labor organization from making a "contribution or expenditure" in connection with Federal elections. This section also prohibits a political committee from knowingly accepting such prohibited contribution. For purposes of this section, the term "contribution or expenditure" is defined broadly to prohibit labor organizations from providing "any direct or indirect

200-105-34124

payment..loan...to any candidate, campaign committee or political party or organization" in connection with a federal election.

2 U.S.C. § 441b(b)(2). Specifically excepted, however, are the costs incurred for the establishment, administration and solicitation of contributions to a separate segregated fund utilized for political purposes by a labor organization.

2 U.S.C. § 441b(b)(2)(C). In Advisory Opinion 1977-19 the Commission considered the issue of whether taxes incurred on the earned interest income of a separate segregated fund are "administrative" expenses within the meaning of 2 U.S.C. § 441b(b)(2)(C) and concluded that they are not. The Commission reasoned that "a tax obligation on income generated by the depositing in an interest bearing account of unused contributions to a separate segregated fund is not incurred in the pursuit of voluntary contributions, the maintenance of those contributions, or the utilization of those contributions for political purposes'." See A.O. 1977-19, Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5252.

3. Application of the Law to the Facts

The record in this case reveals that in 1982 and 1983 the Union made loans totalling \$11,500 to the Political Fund in violation of 2 U.S.C. § 441b(a). Accordingly, the Office of the General Counsel recommends that the Commission take the following actions: (1) open a matter under review; and (2) find reason to believe the Union violated 2 U.S.C. § 441b(a).

DESCRIPTION OF PRELIMINARY PROCEDURES
FOR PROCESSING POSSIBLE VIOLATIONS DISCOVERED BY THE
FEDERAL ELECTION COMMISSION

Possible violations discovered during the normal course of the Commission's supervisory responsibilities shall be referred to the Enforcement Division of the Office of General Counsel where they are assigned a MUR (Matter Under Review) number, and assigned to a staff member.

Following review of the information which generated the MUR, a recommendation on how to proceed on the matter, which shall include preliminary legal and factual analysis, and any information compiled from materials available to the Commission shall be submitted to the Commission. This initial report shall recommend either: (a) that the Commission find reason to believe that a possible violation of the Federal Election Campaign Act (FECA) may have occurred or is about to occur and that the Commission conduct an investigation of the matter; or (b) that the Commission find no reason to believe that a possible violation of the FECA has occurred and that the Commission close the file on the matter.

Thereafter, if the Commission decides by an affirmative vote of four (4) Commissioners that there is reason to believe that a violation of the Federal Election Campaign Act (FECA) has been committed or is about to be committed, the Office of the General Counsel shall open an investigation into the matter. Upon notification of the Commission's finding(s), within 15 days a respondent(s) may submit any factual or legal materials relevant to the allegations. During the investigation, the Commission shall have the power to subpoena documents, to subpoena individuals to appear for depositions, and to order answers to interrogatories. The respondent(s) may be contacted more than once by the Commission in its investigation.

If, during this period of investigation, the respondent(s) indicate a desire to enter into conciliation, the Office of General Counsel staff may begin the conciliation process prior to a finding of probable cause to believe a violation has been committed. Conciliation is an informal method of conference and persuasion to endeavor to correct or prevent a violation of the Federal Election Campaign Act (FECA). Most often, the result of conciliation is an agreement signed by the Commission and the respondent(s). The Conciliation Agreement must be adopted by four votes of the Commission before it becomes final. After signature by the Commission and the respondent(s), the Commission shall make public the Conciliation Agreement.

[If the investigation warrants], and no conciliation agreement is entered into prior to a probable cause to believe finding, the General Counsel must notify the respondent(s) of his intent to proceed to a vote on probable cause to believe that a violation of the Federal Election Campaign Act (FECA) has been committed or is about to be committed. Included with the notification to the respondent(s) shall be a brief setting forth the position of the General Counsel on the legal and factual issues of the case. Within 15 days of receipt of such brief, the respondent(s) may submit a brief posing the position of respondent(s) and replying to the brief of the General Counsel. Both briefs will then be filed with the Commission Secretary and will be considered by the Commission. Thereafter, if the Commission determines by an affirmative vote of four (4) Commissioners, that there is probable cause to believe that a violation of the FECA has been committed or is about to be committed conciliation must be undertaken for a period of at least 30 days but not more than 90 days. If the Commission is unable to correct or prevent any violation of the FECA through conciliation the Office of General Counsel may recommend that the Commission file a civil suit against the respondent(s) to enforce the Federal Election Campaign Act (FECA). Thereafter, the Commission may, upon an affirmative vote of four (4) Commissioners, institute civil action for relief in the District Court of the United States.

See 2 U.S.C. § 437g, 11 C.F.R. Part 111.

November 1920

STATEMENT OF DESIGNATION OF COUNSEL

MUR _____

NAME OF COUNSEL: _____

ADDRESS: _____

TELEPHONE: _____

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

Date

Signature

RESPONDENT'S NAME: _____

ADDRESS: _____

HOME PHONE: _____

BUSINESS PHONE: _____

201105040503

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Sailor's Union of the Pacific
Sailor's Union of the Pacific
Political Fund
Paul Dempster, as treasurer

)
)
)
)
)
)
RAD Ref. 85L-42 (M2107)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal
Election Commission, do hereby certify that on November 29,
1985, the Commission decided by a vote of 5-0 to take
the following actions in RAD Ref. 85L-42:

1. Open a matter under review.
2. Find reason to believe the Sailor's
Union of the Pacific violated
2 U.S.C. § 441b(a).
3. Find reason to believe the Sailor's
Union of the Pacific Political Fund
and Paul Dempster, as treasurer,
violated 2 U.S.C. § 441b(a).
4. Find reason to believe the Sailor's
Union of the Pacific Political Fund
and Paul Dempster, as treasurer,
violated 2 U.S.C. § 434(b)(3)(E).
5. Find reason to believe that the Sailor's
Union of the Pacific Political Fund and
Paul Dempster, as treasurer, violated
2 U.S.C. § 434(b)(8) and 11 C.F.R.
§ 104.11(a).

(continued)

86040504129

6. Approve and send the letters with the General Counsel's Factual and Legal Analysis attached to the First General Counsel's Report signed November 21, 1985.

7. Approve and send the requests for documents attached to the First General Counsel's Report signed November 21, 1985.

Commissioners Aikens, Elliott, Harris, Josefiak, and McGarry voted affirmatively for this decision; Commissioner McDonald did not cast a vote.

Attest:

12-2-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary: Mon., 11-25-85, 3:11
Circulated on 48 hour tally basis: Tues., 11-26-85, 11:00
Deadline for vote: Fri., 11-29-85, 11:00

85040384130



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel *RMB*

DATE: November 22, 1985

SUBJECT: Rad Referral 85L - 42 - First General Counsel's Report

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

CIRCULATIONS

48 Hour Tally Vote ☒ ☒
Sensitive ☒
Non-Sensitive ☐

24 Hour No Objection ☐
Sensitive ☐
Non-Sensitive ☐

Information ☐
Sensitive ☐
Non-Sensitive ☐

Other ☐

DISTRIBUTION

Compliance ☒
Audit Matters ☐

Litigation ☐

Closed MUR Letters ☐

Status Sheets ☐

Advisory Opinions ☐

Other (see distribution below) ☐

RECEIVED
OFFICE OF THE DEPT.
COMMISSIONER OF THE GENERAL LAND OFFICE

05 NOV 25 13:11

It is alleged that the Sailor's Union of the Pacific violated 2 U.S.C. § 441b(a) by loaning general treasury funds of \$11,500 to its separate segregated fund to pay Federal taxes on the earned interest income of the separate segregated fund. In addition, it is alleged that the Sailor's Union of the Pacific Political Fund and Paul Dempster, as treasurer, violated 2 U.S.C. § 441b(a) by accepting loans totalling \$11,500 from its connected organization to pay Federal taxes on the earned interest income

of the separate segregated fund.

Information in the referral raises the additional issues of whether the Sailor's Union of the Pacific Political Fund and Paul Dempster, as treasurer, violated:

- 2 U.S.C. § 434(b)(3)(E) by failing to report the receipt of loans totalling \$4,500 including the identification of the person making such loans, the date and amount of value of such loans.
- 2 U.S.C. § 434(b)(8) by failing to disclose the amount and nature of outstanding debts and obligations owed to the Union for loans received by the Political Fund.
- 11 C.F.R. § 104.11(a) by failing to continuously report outstanding debts owed to the Union for loans received by the Political Fund.

FACTUAL AND LEGAL ANALYSIS

1. The Facts

The Sailor's Union of the Pacific ("the Union") is a "labor organization" within the meaning of 2 U.S.C. § 441b(b)(1). The Sailor's Union of the Pacific Political Fund ("Political Fund") is the separate segregated fund of the Union and a "political committee" within the meaning of 2 U.S.C. § 431(4)(B). Paul Dempster is the treasurer of the Political Fund.

Reports and statements filed by the Political Fund reveal that in 1982 and 1983 the Political Fund accepted several loans totalling \$11,500 from the Union to pay its Federal income taxes. In an amendment to its 1983 July Quarterly report, the Political Fund disclosed the receipt of a \$7000 loan incurred on January 6, 1983 for which repayment was due July 1983. See Attachment 1 at 6. In its 1983 October Quarterly report, the Political Fund

reported an increase of \$4,500 in the amount of the loan from the Union but showed no corresponding receipt of a loan in this amount. See Attachment 1 at 7. Subsequent reports filed by the Political Fund disclosed an \$11,500 loan from the Union with a date incurred of "1982 and 1983." See Attachment 1 at 8.

On March 27, 1985, the Reports Analysis Division mailed a request for additional information seeking clarification of the nature of the \$11,500 loan. See Attachment 1 at 9. A second notice was mailed on April 18, 1985 when the Political Fund failed to respond to the first notice. See Attachment 1 at 10.

By letter dated April 26, 1985, Brandon Tynan, Controller of the Union, advised the Commission that the loan was a series of several loans made by the Union to the Political Fund to pay Federal taxes that came due at a time when the operating account of the Political Fund did not have enough money to pay the tax when due and no investment was due to mature to transfer money to cover it. The letter further advised that in order to correct this situation, the Political Fund would transfer money back to the Union. See Attachment 1 at 12. On July 12, 1985, the Political Fund filed its 1985 Mid-Year Report which disclosed an \$11,500 loan repayment to the Union on April 24, 1985. See Attachment 1 at 13.

A review of Reports filed by the Political Fund in 1982 reveals that the Political Fund failed to report the receipt of loans from the Union totalling \$4,500. All receipts of the

Political Fund were listed as unitemized. Moreover, the reports of the Political Fund failed to disclose outstanding debts and obligations owed to the Union for the loans in question.

Payments for Federal taxes were included in the unitemized totals for the operating expenditures of the Political Fund. However, in the Political Fund's 1982 April Quarterly report, a memo entry on the detailed summary page discloses payment of Federal taxes in the amount of \$3,297.79. See Attachment 2 at 15.

2. The Law

a. Reporting Requirements

Section 434(b)(3)(E) of Title 2, United States Code, requires the treasurer of a political committee to file reports with the Commission disclosing the identification of each person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and date and amount of value of such loan. See also 11 C.F.R. § 104.3(a)(4)(iv). The term "person" as defined by the Act includes a labor organization. 2 U.S.C. § 431(11).

Section 434(b)(8) of Title 2, United States Code, requires the treasurer of a political committee to file reports with the Commission disclosing the amount and nature of outstanding debts and obligations owed by such political committee. See also, 11 C.F.R. § 104.3(d). Debts and obligations owed by a political committee which remain outstanding must be continuously reported until extinguished, pursuant to 11 C.F.R. § 104.11(a).

b. Section 441b(a) - Prohibited Contributions

Section 441b(a) of Title 2, United States Code, prohibits a labor organization from making a "contribution or expenditure" in connection with Federal elections. This section also prohibits a political committee from knowingly accepting such prohibited contribution. For purposes of this section, the term "contribution or expenditure" is defined broadly to prohibit labor organizations from providing "any direct or indirect payment..loan...to any candidate, campaign committee or political party or organization" in connection with a federal election. 2 U.S.C. § 441b(b)(2). Specifically excepted, however, are the costs incurred for the establishment, administration and solicitation of contributions to a separate segregated fund utilized for political purposes by a labor organization. 2 U.S.C. § 441b(b)(2)(C). In Advisory Opinion 1977-19 the Commission considered the issue of whether taxes incurred on the earned interest income of a separate segregated fund are "administrative" expenses within the meaning of 2 U.S.C. § 441b(b)(2)(C) and concluded that they are not. The Commission reasoned that "a tax obligation on income generated by the depositing in an interest bearing account of unused contributions to a separate segregated fund is not incurred in the pursuit of voluntary contributions, the maintenance of those contributions, or the utilization of those contributions for political purposes'." See A.O. 1977-19, Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5252.

3. Application of the Law to the Facts

The record in this case reveals that in 1982 and 1983 the Union made loans totalling \$11,500 to the Political Fund in violation of 2 U.S.C. § 441b(a), and that the Political Fund knowingly accepted such loans in violation of 2 U.S.C. § 441b(a).

The record further reveals that the Political Fund failed to report the receipt of loans from the Union totalling \$4,500 in violation of 2 U.S.C. § 434(b)(3)(E). In addition, the record reveals that the Political Fund failed disclose outstanding debts and obligations owed by them to the Union, and that the Political Fund failed to continuously report the outstanding debt and obligation until it was extinguished, in violation of 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.11(a).

In view of the foregoing, the Office of the General Counsel recommends that the Commission take the following actions: (1) open a matter under review; (2) find reason to believe the Union violated 2 U.S.C. § 441b(a); (3) find reason to believe the Political Fund and Paul Dempster, as treasurer, violated 2 U.S.C. §§ 441b(a), 434(b)(3)(E), 434(b)(8) and 11 C.F.R. § 104.11(a).

RECOMMENDATIONS

1. Open a matter under review.
2. Find reason to believe the Sailor's Union of the Pacific violated 2 U.S.C. § 441b(a).
3. Find reason to believe the Sailor's Union of the Pacific Political Fund and Paul Dempster, as treasurer violated 2 U.S.C. § 441b(a).
4. Find reason to believe the Sailor's Union of the Pacific Political Fund and Paul Dempster, as treasurer, violated 2 U.S.C. § 434(b)(3)(E).
5. Find reason to believe that the Sailor's Union of the Pacific Political Fund and Paul Dempster, as treasurer, violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.11(a).

86040584137

5. Approve and send the attached letters with the General Counsel's Factual and Legal Analyses.
6. Approve and send the attached requests for documents.

Charles N. Steele
General Counsel

November 21, 1985
Date

BY:

Kenneth A. Gross
Associate General Counsel

Attachments

1. RAD Referral (pp.1-14)
2. 1982 April Quarterly Report-Detailed Summary Page (p.15)
3. Letter, General Counsel's Factual and Legal Analysis, Requests for Documents to the Union (pp.16-21)
4. Letter, General Counsel's Factual and Legal Analysis, Requests for Documents to the Political Fund. (pp.22-29)

86040584139



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

16 October 1985

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR *12/1*

FROM: JOHN D. GIBSON *JDG*
ASSISTANT STAFF DIRECTOR
REPORTS ANALYSIS DIVISION

SUBJECT: REFERRAL OF THE SAILOR'S UNION OF THE PACIFIC
POLITICAL FUND

This is a referral of the Sailor's Union of the Pacific Political Fund ("the Fund"). Sailor's Union of the Pacific, the Fund's connected organization, loaned \$11,500 to the Fund to pay 1120 POL taxes. The money was later repaid to the connected organization once the Fund was notified of the apparent violation. According to the RAD Review and Referral Procedures for Unauthorized Committees (Standard 7), this matter requires further examination by your office.

If you have any questions, please contact Anthony Raymond at 523-4048.

Attachment

Attachment 1

①

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 16 October 1985

ANALYST: Anthony Raymond

I. COMMITTEE: Sailor's Union of the Pacific Political
Fund (C00011338)
Paul Dempster, Treasurer
450 Harrison Street
San Francisco, CA 94105

II. RELEVANT STATUTE: 2 U.S.C. §441b(a)
11 CFR 102.5

III. BACKGROUND:

The Amended 1983 July Quarterly Report filed by the Sailor's Union of the Pacific Political Fund ("the Fund") disclosed a \$7,000 loan owed to its connected organization, Sailor's Union of the Pacific ("the Union"), for "IRS taxes" (Attachment 2). The loan was incurred on January 6, 1983 and had a July 1983 due date. The 1983 October Quarterly Report disclosed an additional \$4,500 loan received from the Union (Attachment 3). Schedule C of the report disclosed a total of \$11,500 owed to the Union, but did not disclose any terms for the loan. Schedule C of the Fund's 1984 April Quarterly Report disclosed the \$11,500 loan from the Union with a date incurred of "1982 & 1983" (Attachment 4). All subsequent reports filed by the Fund through the 1984 Year End Report continued to disclose the \$11,500 loan.

A Request for Additional Information ("RFAI") for the 1984 Year End Report was sent to the Fund on March 27, 1985 requesting clarification on the nature of the \$11,500 loan (Attachment 5). A Second Notice was mailed on April 18, 1985 for failure to respond to the initial RFAI (Attachment 6).

On April 23, 1985, Brandon Tynan, Controller of the Union, called the Reports Analysis Division ("RAD") analyst in response to the RFAI. Mr. Tynan explained that the \$11,500 debt was an accumulation of several loans made by the Union to the Fund to pay 1120 POL taxes. Mr. Tynan stated that the Union had paid the taxes since the Fund's

SAILOR'S UNION OF THE PACIFIC
POLITICAL FUND
REPORTS ANALYSIS OGC REFERRAL
PAGE 2

operating account was low and none of the Fund's investments were due to mature. He also indicated that the Union would be repaid as soon as possible (Attachment 7).

Mr. Tynan submitted a written capsulization of the above conversation on April 26, 1985 (Attachment 8). On July 12, 1985, the Fund filed its 1985 Mid-Year Report which disclosed an \$11,500 loan repayment to its connected organization. The loan repayment occurred on April 24, 1985 (Attachment 9).

On July 31, 1985, an Informational Notice was sent to the Fund to acknowledge the payment of the loan owed to the Union, and to notify the Fund of the possibility that the Commission may take further legal steps concerning the matter (Attachment 10).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

FEDERAL ELECTION COMMISSION
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) (83-84)

NON-PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER LUVERAGE DATES	# OF PAGES	MICROFILM LOCATION
SAILOR'S UNION OF THE PACIFIC POLITICAL FUND						
CONNECTED ORGANIZATION: SEAFARERS INT'L UNION OF NORTH AMERICA						
1983	STATEMENT OF ORGANIZATION - AMENDMENT			27JUN83		1 83FEC/274/1845
	STATEMENT OF ORGANIZATION - AMENDMENT			12JUL83		3 83FEC/276/3051
	MISCELLANEOUS REPORT			15JUL83 TO FEC		2 83FEC/276/0070
	APRIL QUARTERLY	9,902	9,939	1JAN83 -31MAR83		4 83FEC/271/1379
	JULY QUARTERLY	4,623	3,244	1APR83 -30JUN83		5 83FEC/275/1042
	JULY QUARTERLY - AMENDMENT	-	-	1APR83 -30JUN83		3 83FEC/276/3048
	OCTOBER QUARTERLY	7,290	6,258	1JUL83 -30SEP83		5 83FEC/284/2555
	YEAR-END	2,343	1,000	1OCT83 -31DEC83		4 84FEC/290/1498
1984	APRIL QUARTERLY	2,330	5,291	1JAN84 -31MAR84		6 84FEC/307/3376
	JULY QUARTERLY	2,834	3,300	1APR84 -30JUN84		6 84FEC/318/5400
	OCTOBER QUARTERLY	2,882	1,800	1JUL84 -30SEP84		6 84FEC/337/1011
	YEAR-END	4,667	5,100	1OCT84 -31DEC84		6 85FEC/359/3278
	YEAR-END - AMENDMENT	-	-	1OCT84 -31DEC84		2 85FEC/372/1491
	REQUEST FOR ADDITIONAL INFORMATION			1OCT84 -31DEC84		1 85FEC/369/1162
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1OCT84 -31DEC84		2 85FEC/371/1299
TOTAL		36,871	0 35,932	0		56 TOTAL PAGES



All reports have been reviewed.

Ending cash on hand as of 12/31/84: \$70,225.00

Outstanding debts and obligations owed by the committee as of 12/31/84: \$11,500.00

3 6 0 4 0 5 8 4 1 2 3

FEDERAL ELECTION COMMISSION
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) (85-86)

NON-PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
SAILOR'S UNION OF THE PACIFIC POLITICAL FUND CONNECTED ORGANIZATION: SEAFARERS INT'L UNION OF NORTH AMERICA				NON-PARTY QUALIFIED	ID #C00011338	
1985	MID-YEAR REPORT	455	18,922	1APR85 -30JUN85	4	85FEC/378/2017
	MID-YEAR REPORT - AMENDMENT	-	-	1APR85 -30JUN85	3	85FEC/385/1983
	MID-YEAR REPORT - AMENDMENT	1,301	18,922	1JAN85 -30JUN85	6	85FEC/387/0963
	REQUEST FOR ADDITIONAL INFORMATION			1APR85 -30JUN85	1	85FEC/383/0503
	REQUEST FOR ADDITIONAL INFORMATION			1APR85 -30JUN85	1	85FEC/386/2272
TOTAL		1,301	0 18,922	0	15	TOTAL PAGES

(5)

All reports have been reviewed.

Ending cash on hand as of 6/30/85: \$56,603.00

Outstanding debts and obligations owed by the committee as of 6/30/85: \$-0-

APR 10 1984
LINE NUMBER 10
USE appropriate schedule
for each numbered line.

UNITED TO 6-30-83 REPORT

NAME OF BORROWER (or Firm)
CONCRETE UNION OF THE PACIFIC POLITICAL FUND

A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payments To Date	Balance Outstanding at Close of This Period
CONCRETE UNION OF THE PACIFIC 1500 BARRACLOUGH ST. SP 94106	7,000.00	-	7,000

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

Terms: Date Incurred **1-6-83** Date Due **7-83** Interest Rate **— (Zero)** Secured ☐

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

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

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

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

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

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

Terms: Date Incurred _____ Date Due _____ Interest Rate _____ Secured ☐

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

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

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

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

TOTALS This Period (last page in this report): **7,000.00**

TOTALS This Period (last page in this report): **7,000.00**

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

SCHEDULE C
 (Revised 3/83)

LOANS

 Page 1 of 1 for
 LINE NUMBER
 (Also indicate with asterisk for each numbered line)

Name of Organization (in Part)			
SLACK'S UNION OF THE PACIFIC POLITICAL FUND			
A. Full Name, Mailing Address and ZIP Code of Loan Source SLACK'S UNION OF THE PACIFIC 450 HARRISON ST. SP. CA 94105 (Specify: Primary General Other (Specify):		Original Amount of Loan 11,500⁰⁰	Balance Outstanding at Close of This Period 11,500⁰⁰
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (per) ☐ Secured		Balance Outstanding at Close of This Period	
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
2. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
B. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Balance Outstanding at Close of This Period
(Specify: ☐ Primary ☐ General ☐ Other (Specify)		Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (per) ☐ Secured	
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
2. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
SUBTOTALS This Period This Page (optional)		11,500⁰⁰	
TOTALS This Period First page in this line only		11,500⁰⁰	
(7)			
Carry outstanding balance only to LINE 2, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			

000040103294:358

SCHEDULE C
 (Revised 3/83)

LOANS

 Page 1 of 1 for
 LINE NUMBER _____
 (Use separate schedules
 for each report line)

Name of Committee (in Full)			
SAILOR'S UNION OF THE PACIFIC POLITICAL FUND			
A. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Balance Outstanding at Close of This Period
SAILOR'S UNION OF THE PACIFIC 460 HARRISON STREET SAN FRANCISCO, CA 94105		11,500.00	11,500.00
Election: ☐ Primary ☐ General ☐ Other (specify):			
Terms: Date Incurred <u>02-1-1983</u> Date Due <u>TO PM 1120</u> Interest Rate <u>FOR THREE</u>			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
B. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Balance Outstanding at Close of This Period
Election: ☐ Primary ☐ General ☐ Other (specify):			
Terms: Date Incurred _____ Date Due _____ Interest Rate _____			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
SUBTOTALS This Period This Page (optional)			
TOTALS This Period (last page in this info only)			11,500.00
Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

RQ-2

Paul Dempster, Treasurer
Sailor's Union of the Pacific
Political Fund
450 Harrison Street
San Francisco, CA 94105

MAR 27 1985

Identification Number: C00011338

Reference: 1984 Year End Report (10/1/84-12/31/84)

Dear Mr. Dempster:

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

-Please clarify the nature of the \$11,500 loan owed to your connected organization. Specifically, please give a detailed description of purpose, terms and history of this loan.

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,

Anthony Raymond
Reports Analyst
Reports Analysis Division

(9)

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

20-3

April 18, 1985

Paul Dempster, Treasurer
United Labor Union of the Pacific
Political Fund
440 Harrison Street
San Francisco, CA 94103

Identification Number: CFC11330

Reference: 1984 Year-End Report (10/1/84-12/31/84)

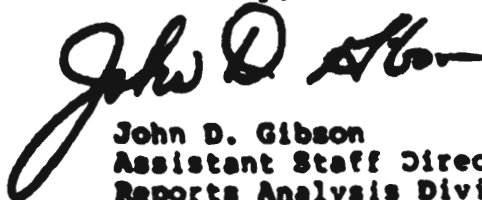
Dear Mr. Dempster:

This letter is to inform you that as of April 17, 1985, the Commission has not received your response to our request for additional information, dated March 27, 1985. That notice requested information essential to full public disclosure of your Federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). A copy of our original request is enclosed.

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Anthony Raymond 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

Enclosure

ANALYST: Tony Raymond

CONVERSATION WITH: Brandon Tynan

COMMITTEE: Sailors' Union of the Pacific

DATE: 4/22/85

SUBJECT(S): RFAI on 1984 Year End Report

Mr. Tynan explained that the \$11,500 debt referred to in the RFAI was an accumulation of several loans made by Sailors' Union to the PAC to pay POL taxes. Mr. Tynan went on to say that the taxes were paid by the connected organization since the PAC's operating account was low and since none of the PAC's investments were ready to mature.

I told Mr. Tynan that the PAC should reimburse the connected organization immediately and state so in his response. In addition, I told Mr. Tynan to put his explanation down in writing and submit it as a response to the RFAI.

06040504190
(//)

Sailors' Union
AFFILIATED WITH THE SEAFARERS INTERNATIONAL



of the Pacific
UNION OF NORTH AMERICA & F.L.C.I.O.

35 APR 26 AD: 82

TELEPHONE (415) 362 0300
 CABLE ADDRESS SAILORS

BRANCHES . . . FROM
 SEATTLE, 00101 • 8000 FIRST AVE • (206) 422-0000
 PORTLAND, 07214 • 800 S E DELBERT ST • (503) 522-0770
 OREGONIAN 00766 • 600 SW GARDEN AVE • (503) 506 4017
 SEASIDE, 11055 • 675 FRONT AVE • (510) 400 0711
 SAN DIEGO, 70100 • 600 JENSEN AVE • (619) 526 7450
 HONOLULU, 00010 • 707 ALAHEA ST • (808) 526 2777
 ST. LOUIS, 00000 • 800 VERMONT AVE • (314) 526 0710
 PAUL DEMPSTER • PRESIDENT/SECRETARY-TREASURER

HEADQUARTERS 450 HARRISON STREET
 SAN FRANCISCO, CALIFORNIA 94105

April 23, 1985

John D. Gibson
 Assistant Staff Director
 Reports Analysis Division
 Federal Election Commission
 Washington, D.C. 20463

Identification Number: C0001138

Reference: 1984 Year-End Report (10/1/84-12/31/84)

Dear Mr. Gibson:

Your letter of April 18, 1985 received.

Mr. Raymond's letter of March 27, 1985 was not received to our knowledge.

At Mr. Dempster's request I contacted Mr. Anthony today by telephone and herein submit the following information which will hopefully clear up the matter.

The loan in question was a series of several loans made by the Sailor's Union to the Sailor's Union of the Pacific Political Fund to pay 1120 POL taxes that came due at a time when the operating account of the Political Fund did not have enough money to pay the tax when due and no investment was due to mature to transfer money to cover it.

I will correct this situation and transfer money from the Political Fund investment back to the Sailor's immediately and this will be reflected on the next quarterly report to the Election Commission.

If there is any other information you need my number is (415) 543-7135.

Sincerely,



Brandon Tynan, Controller

(12)

1 5 0 3 3 7 2 1 1 0 1

SCHEDULE B

1985 Mid-Year Report
ITEMIZED DISBURSEMENTSPage 1 of 1 for
Line Number
Also complete schedule for each
category of the Detailed
Summary Page

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

Name of Committee (in Full)

Sailor's Union of the Pacific Political Fund

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month day, year)	Amount of Each Disbursement This Period
Sailor's Union of the Pacific 450 Harrison Street San Francisco, CA 94105	Loan Repayment Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	4-24-85	11,500.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month day, year)	Amount of Each Disbursement This Period
SUBTOTAL of Disbursements This Page (all lines)			
TOTAL This Period (all pages this report number only)			11,500.00

13



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

BQ-2

JUL 31 1985

Paul Dempster, Treasurer
Sailor's Union of the Pacific
Political Fund
450 Harrison Street
San Francisco, CA 94105

Identification Number: C00011338

Reference: Mid-Year Report (4/1/85-6/30/85)

Dear Mr. Dempster:

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

-Please provide a Schedule B to support the entry of \$11,500 reported on Line 24 of the Detailed Summary Page. All loans repaid by your committee must be itemized on Schedule B, regardless of the amount. 2 U.S.C. 434(b)(6)(B)(ii).

-Schedule B of your report discloses a \$11,500 payment to your connected organization for taxes. 2 U.S.C. §441b prohibits a corporation or labor organization from contributing or expending funds for the purpose of influencing any Federal election, except that the connected organization may pay for the solicitation and administrative costs of its separate segregated fund.

The Commission notes the refund of the prohibited contribution. Although the Commission may take further legal steps concerning this matter, your prompt action in refunding the contribution will be taken into account.

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,

Anthony Raymond

Anthony Raymond
Reports Analyst
Reports Analysis Division

(14)

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

Name of Committee (in Full)		Report Covering the Period	
SAILORS' POLITICAL FUND		From 1/01/82 To	3/31/82
		COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
I. RECEIPTS			
11 CONTRIBUTIONS (other than loans) FROM			
(a) Individuals/Persons Other Than Political Committees		941.00	941.00
(Memo Entry Unaffiliated & _____)			
(b) Political Party Committees			
(c) Other Political Committees			
(d) TOTAL CONTRIBUTIONS (other than loans) (add 11a, 11b and 11c)		941.00	941.00
12 TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES			
13 ALL LOANS RECEIVED			
14 LOAN REPAYMENTS RECEIVED			
15 OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)			
16 REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES			
17 OTHER RECEIPTS (Dividends, Interest, etc.)		3,272.54	3,272.54
18 TOTAL RECEIPTS (Add 11d, 12, 13, 14, 15, 16 and 17)		4,213.54	4,213.54
II. DISBURSEMENTS			
19 OPERATING EXPENDITURES		18.57	18.57
20 TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES			
21 CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES		3,990.00	3,990.00
22 INDEPENDENT EXPENDITURES (Use Schedule E)			
23 COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (20 USC §441a(d)) (Use Schedule F)			
24 LOAN REPAYMENTS MADE			
25 LOANS MADE			
26 REFUNDS OF CONTRIBUTIONS TO			
(a) Individuals/Persons Other Than Political Committees			
(b) Political Party Committees			
(c) Other Political Committees			
(d) TOTAL CONTRIBUTION REFUNDS (add 26a, 26b and 26c)			
27 OTHER DISBURSEMENTS		3,297.79	3,297.79
28 TOTAL DISBURSEMENTS (Add Lines 19, 20, 21, 22, 23, 24, 25, 26d and 27)		7,306.36	7,306.36
III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES			
29 TOTAL CONTRIBUTIONS (other than loans) from Line 11d		941.00	941.00
30 TOTAL CONTRIBUTION REFUNDS from Line 26d			
31 NET CONTRIBUTIONS (other than loans) (subtract Line 30 from Line 29)		941.00	941.00
32 TOTAL OPERATING EXPENDITURES from Line 19		18.57	18.57
33 OFFSETS TO OPERATING EXPENDITURES from Line 15			
34 NET OPERATING EXPENDITURES (subtract Line 33 from Line 32)		18.57	18.57

Attachment 2

15



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Paul Dempster, President
Sailor's Union of the Pacific
450 Harrison Street
San Francisco, California 94105

RE: MUR
Sailor's Union of the
Pacific

Dear Mr. Dempster:

On , 1985, the Federal Election Commission determined that there is reason to believe the Sailor's Union of the Pacific violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. 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 Union. 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 request for documents, within fifteen days of your receipt of this letter.

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so

Attachment 3

(16)

that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

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

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

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

Sincerely,

Kenneth A. Gross
Associate General Counsel

Enclosures

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

REQUEST FOR DOCUMENTS

To: Sailor's Union of the Pacific
Paul Dempster, President
450 Harrison Street
San Francisco, California 94105

1. Please provide copies of all loan documents pertaining to loans made by the Sailor's Union of the Pacific to the Sailor's Union of the Pacific Political Fund between January 1, 1982 and May 1, 1985.
2. Please provide copies of all bank statements, checks (front and back) and deposit slips pertaining to loans made by the Sailor's Union of the Pacific to the Sailor's Union of the Pacific Political Fund between January 1, 1982 and May 1, 1985, and the repayment of such loans by the Political Fund.

**FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS**

MUR No.
STAFF MEMBER & TEL. NO.
Beverly Kramer (202) 523-4143

RESPONDENT: Sailor's Union of the Pacific

GENERATION OF MATTER

The Reports Analysis Division referred this matter to the Office of the General Counsel on October 16, 1985.

SUMMARY OF ALLEGATIONS

It is alleged that the Sailor's Union of the Pacific violated 2 U.S.C. § 441b(a) by loaning general treasury funds of \$11,500 to its separate segregated fund to pay Federal taxes on the earned interest income of the separate segregated fund.

FACTUAL AND LEGAL ANALYSIS

1. The Facts

The Sailor's Union of the Pacific ("the Union") is a "labor organization" within the meaning of 2 U.S.C. § 441b(b)(1). The Sailor's Union of the Pacific Political Fund ("Political Fund") is the separate segregated fund of the Union and a "political committee" within the meaning of 2 U.S.C. § 431(4)(B). Paul Dempster is the treasurer of the Political Fund.

Reports and statements filed by the Political Fund reveal that in 1982 and 1983 the Political Fund accepted several loans totalling \$11,500 from the Union to pay its Federal income taxes. In an amendment to its 1983 July Quarterly report, the Political Fund disclosed the receipt of a \$7000 loan incurred on January 6, 1983 for which repayment was due July 1983. In its 1983 October Quarterly report, the Political Fund reported an increase of

\$4,500 in the amount of the loan from the Union but showed no corresponding receipt of a loan in this amount. Subsequent reports filed by the Political Fund disclosed an \$11,500 loan from the Union with a date incurred of "1982 and 1983."

On March 27, 1985, the Reports Analysis Division mailed a request for additional information seeking clarification of the nature of the \$11,500 loan. A second notice was mailed on April 18, 1985 when the Political Fund failed to respond to the first notice.

By letter dated April 26, 1985, Brandon Tynan, Controller of the Union, advised the Commission that the loan was a series of several loans made by the Union to the Political Fund to pay Federal taxes that came due at a time when the operating account of the Political Fund did not have enough money to pay the tax when due and no investment was due to mature to transfer money to cover it. The letter further advised that in order to correct this situation, the Political Fund would transfer money back to the Union. On July 12, 1985, the Political Fund filed its 1985 Mid-Year Report which disclosed an \$11,500 loan repayment to the Union on April 24, 1985.

2. The Law

Section 441b(a) of Title 2, United States Code, prohibits a labor organization from making a "contribution or expenditure" in connection with Federal elections. This section also prohibits a political committee from knowingly accepting such prohibited contribution. For purposes of this section, the term "contribution or expenditure" is defined broadly to prohibit labor organizations from providing "any direct or indirect

payment..loan...to any candidate, campaign committee or political party or organization" in connection with a federal election.

2 U.S.C. § 441b(b) (2). Specifically excepted, however, are the costs incurred for the establishment, administration and solicitation of contributions to a separate segregated fund utilized for political purposes by a labor organization.

2 U.S.C. § 441b(b) (2) (C). In Advisory Opinion 1977-19 the Commission considered the issue of whether taxes incurred on the earned interest income of a separate segregated fund are "administrative" expenses within the meaning of 2 U.S.C. § 441b(b) (2) (C) and concluded that they are not. The Commission reasoned that "a tax obligation on income generated by the depositing in an interest bearing account of unused contributions to a separate segregated fund is not incurred in the pursuit of voluntary contributions, the maintenance of those contributions, or the utilization of those contributions for political purposes'." See A.O. 1977-19, Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5252.

3. Application of the Law to the Facts

The record in this case reveals that in 1982 and 1983 the Union made loans totalling \$11,500 to the Political Fund in violation of 2 U.S.C. § 441b(a). Accordingly, the Office of the General Counsel recommends that the Commission take the following actions: (1) open a matter under review; and (2) find reason to believe the Union violated 2 U.S.C. § 441b(a).



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Paul Dempster, Treasurer
Sailor's Union of the Pacific Political Fund
450 Harrison Street
San Francisco, California 94105

RE: MUR
Sailor's Union of the
Pacific Political Fund
Paul Dempster, as treasurer

Dear Mr. Dempster:

On , 1985, the Federal Election Commission determined that there is reason to believe the Sailor's Union of the Pacific Political Fund and you, as treasurer, violated 2 U.S.C. § 441b(a) § 434(b)(3)(E), § 434(b)(8) and 11 C.F.R. § 104.11(a), provisions of the Federal Election Campaign Act of 1971, as amended. 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 request for documents, within fifteen days of your receipt of this letter.

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so

Attachment 4

22

that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

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

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

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

Sincerely,

Kenneth A. Gross
Associate General Counsel

Enclosures

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

REQUEST FOR DOCUMENTS

To: Sailor's Union of the Pacific
Political Fund
Paul Dempster, treasurer
450 Harrison Street
San Francisco, California 94105

1. Please provide copies of all loan documents pertaining to loans made by the Sailor's Union of the Pacific to the Sailor's Union of the Pacific Political Fund between January 1, 1982 and May 1, 1985.
2. Please provide copies of all checks (front and back) representing repayment to the Union by the Political Fund for loans received between January 1, 1982 and May 1, 1985.

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. _____
STAFF MEMBER & TEL. NO. _____
Beverly Kramer (202) 523-4143

RESPONDENT: Sailor's Union of the Pacific
Political Fund
Paul Dempster, as treasurer

GENERATION OF MATTER

The Reports Analysis Division referred this matter to the Office of the General Counsel on October 16, 1985.

SUMMARY OF ALLEGATIONS

It is alleged that the Sailor's Union of the Pacific Political Fund and Paul Dempster, as treasurer, violated 2 U.S.C. § 441b(a) by accepting loans totalling \$11,500 from its connected organization to pay Federal taxes on the earned interest income of the separate segregated fund.

Information in the referral raises the additional issues of whether the Sailor's Union of the Pacific Political Fund and Paul Dempster, as treasurer, violated:

- 2 U.S.C. § 434(b)(3)(E) by failing to report the receipt of loans totalling \$4,500 including the identification of the person making such loans, the date and amount of value of such loans.
- 2 U.S.C. § 434(b)(8) by failing to disclose the amount and nature of outstanding debts and obligations owed to the Union for loans received by the Political Fund.
- 11 C.F.R. § 104.11(a) by failing to continuously report outstanding debts owed to the Union for loans received by the Political Fund.

FACTUAL AND LEGAL ANALYSIS

1. The Facts

The Sailor's Union of the Pacific ("the Union") is a "labor organization" within the meaning of 2 U.S.C. § 441b(b)(1). The

Sailor's Union of the Pacific Political Fund ("Political Fund") is the separate segregated fund of the Union and a "political committee" within the meaning of 2 U.S.C. § 431(4)(B). Paul Dempster is the treasurer of the Political Fund.

Reports and statements filed by the Political Fund reveal that in 1982 and 1983 the Political Fund accepted several loans totalling \$11,500 from the Union to pay its Federal income taxes. In an amendment to its 1983 July Quarterly report, the Political Fund disclosed the receipt of a \$7000 loan incurred on January 6, 1983 for which repayment was due July 1983. In its 1983 October Quarterly report, the Political Fund reported an increase of \$4,500 in the amount of the loan from the Union but showed no corresponding receipt of a loan in this amount. Subsequent reports filed by the Political Fund disclosed an \$11,500 loan from the Union with a date incurred of "1982 and 1983."

On March 27, 1985, the Reports Analysis Division mailed a request for additional information seeking clarification of the nature of the \$11,500 loan. A second notice was mailed on April 18, 1985 when the Political Fund failed to respond to the first notice.

By letter dated April 26, 1985, Brandon Tynan, Controller of the Union, advised the Commission that the loan was a series of several loans made by the Union to the Political Fund to pay Federal taxes that came due at a time when the operating account of the Political Fund did not have enough money to pay the tax when due and no investment was due to mature to transfer money to cover it. The letter further advised that in order to correct

this situation, the Political Fund would transfer money back to the Union. On July 12, 1985, the Political Fund filed its 1985 Mid-Year Report which disclosed an \$11,500 loan repayment to the Union on April 24, 1985.

A review of Reports filed by the Political Fund in 1982 reveals that the Political Fund failed to report the receipt of loans from the Union totalling \$4,500. All receipts of the Political Fund were listed as unitemized. Moreover, the reports of the Political Fund failed to disclose outstanding debts and obligations owed to the Union for the loans in question. Payments for Federal taxes were included in the unitemized totals for the operating expenditures of the Political Fund. However, in the Political Fund's 1982 April Quarterly report, a memo entry on the detailed summary page discloses payment of Federal taxes in the amount of \$3,297.79.

2. The Law

a. Reporting Requirements

Section 434(b)(3)(E) of Title 2, United States Code, requires the treasurer of a political committee to file reports with the Commission disclosing the identification of each person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and date and amount of value of such loan. See also 11 C.F.R. § 104.3(a)(4)(iv). The term "person" as defined by the Act includes a labor organization. 2 U.S.C. § 431(11).

Section 434(b)(8) of Title 2, United States Code, requires the treasurer of a political committee to file reports with the Commission disclosing the amount and nature of outstanding debts and obligations owed by such political committee. See also, 11 C.F.R. § 104.3(d). Debts and obligations owed by a political committee which remain outstanding must be continuously reported until extinguished, pursuant to 11 C.F.R. § 104.11(a).

b. Section 441b(a) - Prohibited Contributions

Section 441b(a) of Title 2, United States Code, prohibits a labor organization from making a "contribution or expenditure" in connection with Federal elections. This section also prohibits a political committee from knowingly accepting such prohibited contribution. For purposes of this section, the term "contribution or expenditure" is defined broadly to prohibit labor organizations from providing "any direct or indirect payment...loan...to any candidate, campaign committee or political party or organization" in connection with a federal election.

2 U.S.C. § 441b(b)(2). Specifically excepted, however, are the costs incurred for the establishment, administration and solicitation of contributions to a separate segregated fund utilized for political purposes by a labor organization.

2 U.S.C. § 441b(b)(2)(C). In Advisory Opinion 1977-19 the Commission considered the issue of whether taxes incurred on the earned interest income of a separate segregated fund are "administrative" expenses within the meaning of 2 U.S.C.

§ 441b(b)(2)(C) and concluded that they are not. The Commission reasoned that "a tax obligation on income generated by the

depositing in an interest bearing account of unused contributions to a separate segregated fund is not incurred in the pursuit of voluntary contributions, the maintenance of those contributions, or the utilization of those contributions for political purposes'." See A.O. 1977-19, Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5252.

3. Application of the Law to the Facts

The record in this case reveals that in 1982 and 1983 the Political Fund knowingly accepted loans from the Union totalling \$11,500, in violation of 2 U.S.C. § 441b(a).

The record further reveals that the Political Fund failed to report the receipt of loans from the Union totalling \$4,500 in violation of 2 U.S.C. § 434(b)(3)(E). In addition, the record reveals that the Political Fund failed disclose outstanding debts and obligations owed by them to the Union, and that the Political Fund failed to continuously report the outstanding debt and obligation until it was extinguished, in violation of 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.11(a).

In view of the foregoing, the Office of the General Counsel recommends that the Commission take the following actions: (1) open a matter under review; and (2) find reason to believe the Political Fund and Paul Dempster, as treasurer, violated 2 U.S.C. §§ 441b(a), 434(b)(3)(E), 434(b)(8) and 11 C.F.R. § 104.11(a).

**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

16 October 1985

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: JOHN D. GIBSON
ASSISTANT STAFF DIRECTOR
REPORTS ANALYSIS DIVISION

SUBJECT: REFERRAL OF THE SAILOR'S UNION OF THE PACIFIC
POLITICAL FUND

This is a referral of the Sailor's Union of the Pacific Political Fund ("the Fund"). Sailor's Union of the Pacific, the Fund's connected organization, loaned \$11,500 to the Fund to pay 1120 POL taxes. The money was later repaid to the connected organization once the Fund was notified of the apparent violation. According to the RAD Review and Referral Procedures for Unauthorized Committees (Standard 7), this matter requires further examination by your office.

If you have any questions, please contact Anthony Raymond at 523-4048.

Attachment

86040304163

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 16 October 1985

ANALYST: Anthony Raymond

I. COMMITTEE: Sailor's Union of the Pacific Political
Fund (C00011338)
Paul Dempster, Treasurer
450 Harrison Street
San Francisco, CA 94105

II. RELEVANT STATUTE: 2 U.S.C. §441b(a)
11 CFR 102.5

III. BACKGROUND:

The Amended 1983 July Quarterly Report filed by the Sailor's Union of the Pacific Political Fund ("the Fund") disclosed a \$7,000 loan owed to its connected organization, Sailor's Union of the Pacific ("the Union"), for "IRS taxes" (Attachment 2). The loan was incurred on January 6, 1983 and had a July 1983 due date. The 1983 October Quarterly Report disclosed an additional \$4,500 loan received from the Union (Attachment 3). Schedule C of the report disclosed a total of \$11,500 owed to the Union, but did not disclose any terms for the loan. Schedule C of the Fund's 1984 April Quarterly Report disclosed the \$11,500 loan from the Union with a date incurred of "1982 & 1983" (Attachment 4). All subsequent reports filed by the Fund through the 1984 Year End Report continued to disclose the \$11,500 loan.

A Request for Additional Information ("RFAI") for the 1984 Year End Report was sent to the Fund on March 27, 1985 requesting clarification on the nature of the \$11,500 loan (Attachment 5). A Second Notice was mailed on April 18, 1985 for failure to respond to the initial RFAI (Attachment 6).

On April 23, 1985, Brandon Tynan, Controller of the Union, called the Reports Analysis Division ("RAD") analyst in response to the RFAI. Mr. Tynan explained that the \$11,500 debt was an accumulation of several loans made by the Union to the Fund to pay 1120 POL taxes. Mr. Tynan stated that the Union had paid the taxes since the Fund's

SAILOR'S UNION OF THE PACIFIC
POLITICAL FUND
REPORTS ANALYSIS OGC REFERRAL
PAGE 2

operating account was low and none of the Fund's investments were due to mature. He also indicated that the Union would be repaid as soon as possible (Attachment 7).

Mr. Tynan submitted a written capsulization of the above conversation on April 26, 1985 (Attachment 8). On July 12, 1985, the Fund filed its 1985 Mid-Year Report which disclosed an \$11,500 loan repayment to its connected organization. The loan repayment occurred on April 24, 1985 (Attachment 9).

On July 31, 1985, an Informational Notice was sent to the Fund to acknowledge the payment of the loan owed to the Union, and to notify the Fund of the possibility that the Commission may take further legal steps concerning the matter (Attachment 10).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

86040304170

FEDERAL ELECTION COMMISSION
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) (83-84)

NON-PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER LEVERAGE DATES	# OF PAGES	MICROFILM LOCATION
SAILOR'S UNION OF THE PACIFIC POLITICAL FUND						
CONNECTED ORGANIZATION: SEAFARERS INT'L UNION OF NORTH AMERICA						
1983	STATEMENT OF ORGANIZATION - AMENDMENT			27JUN83	1	83FEC/274/1845
	STATEMENT OF ORGANIZATION - AMENDMENT			12JUL83	3	83FEC/276/3051
	MISCELLANEOUS REPORT			15JUL83 TO FEC	2	83FEC/276/0070
	APRIL QUARTERLY	9,902	9,939	1JAN83 -31MAR83	4	83FEC/271/1379
	JULY QUARTERLY	4,623	3,244	1APR83 -30JUN83	5	83FEC/275/1042
	JULY QUARTERLY - AMENDMENT	-	-	1APR83 -30JUN83	3	83FEC/276/3048
	OCTOBER QUARTERLY	7,290	6,258	1JUL83 -30SEP83	5	83FEC/284/2555
	YEAR-END	2,343	1,000	1OCT83 -31DEC83	4	84FEC/290/1498
1984	APRIL QUARTERLY	2,330	5,291	1JAN84 -31MAR84	6	84FEC/307/3376
	JULY QUARTERLY	2,834	3,300	1APR84 -30JUN84	6	84FEC/318/5400
	OCTOBER QUARTERLY	2,882	1,800	1JUL84 -30SEP84	6	84FEC/337/1011
	YEAR-END	4,667	5,100	1OCT84 -31DEC84	6	85FEC/359/3278
	YEAR-END - AMENDMENT	-	-	1OCT84 -31DEC84	2	85FEC/372/1491
	REQUEST FOR ADDITIONAL INFORMATION			1OCT84 -31DEC84	1	85FEC/369/1162
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1OCT84 -31DEC84	2	85FEC/371/1299
	TOTAL	36,871	0	35,932	0	56 TOTAL PAGES

All reports have been reviewed.

Ending cash on hand as of 12/31/84: \$70,225.00

Outstanding debts and obligations owed by the committee as of 12/31/84: \$11,500.00

8 5 0 4 0 3 3 4 1 7 2

FEDERAL ELECTION COMMISSION
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) (85-86)

NON-PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
SAILOR'S UNION OF THE PACIFIC POLITICAL FUND CONNECTED ORGANIZATION: SEAFARERS INT'L UNION OF NORTH AMERICA				NON-PARTY QUALIFIED	ID #C00011338	
1985	MID-YEAR REPORT	455	18,922	1APR85 -30JUN85	4	85FEC/378/2017
	MID-YEAR REPORT - AMENDMENT	-	-	1APR85 -30JUN85	3	85FEC/385/1983
	MID-YEAR REPORT - AMENDMENT	1,301	18,922	1JAN85 -30JUN85	6	85FEC/387/0963
	REQUEST FOR ADDITIONAL INFORMATION			1APR85 -30JUN85	1	85FEC/383/0503
	REQUEST FOR ADDITIONAL INFORMATION			1APR85 -30JUN85	1	85FEC/386/2272
TOTAL		1,301	0 18,922	0	15	TOTAL PAGES

All reports have been reviewed.

Ending cash on hand as of 6/30/85: \$56,603.00

Outstanding debts and obligations owed by the committee as of 6/30/85: \$-0-

Page 1 of 1
 LINE NUMBER 10
 Use separate schedules
 for each numbered line.

UNITED UNION OF THE PACIFIC POLITICAL FUND

A. Full Name, Mailing Address and ZIP Code of Loan Source
UNITED UNION OF THE PACIFIC
SP 9405

Original Amount of Loan 7,000.00

Cumulative Payment To Date -

Balance Outstanding at Close of This Period 7,000

Election: ☒ Primary ☐ General ☐ Other (Specify):

Terms: **Date Incurred** 1-6-83 **Date Due** 7-83 **Interest Rate** Wapr **Secured**

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

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

B. Full Name, Mailing Address and ZIP Code of Loan Source

Original Amount of Loan

Cumulative Payment To Date

Balance Outstanding at Close of This Period

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

Terms: **Date Incurred** **Date Due** **Interest Rate** **Secured**

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

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

TOTALS for Line A This Period 7,000.00

TOTALS This Period Last Page in this Schedule 7,000.00

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

8304032763043

SCHEDULE C
(Revised 2/83)**LOANS**Page 1 of 1 for
LINE NUMBER
(Use separate sch. also
for each numbered line)

Name of Contributor (in Full) SMITH'S UNION OF THE PACIFIC POLITICAL FUND			
A. Full Name, Mailing Address and ZIP Code of Loan Source SMITH'S UNION OF THE PACIFIC 450 HARRISON ST. SF, CA 94105 Phone: ☐ Primary ☐ General ☐ Other (Specify): DE PYES		Original Amount of Loan 11,500⁰⁰	Balance Outstanding at Close of This Period 11,500⁰⁰
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (apr)		☐ Secured	
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding \$	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding \$	
B. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Balance Outstanding at Close of This Period
Station ☐ Primary ☐ General ☐ Other (Specify)		Cumulative Payments To Date	
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (apr)		☐ Secured	
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding \$	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding \$	
SUBTOTALS This Period This Page (optional)			11,500⁰⁰
TOTALS This Period (see page in this book only)			11,500⁰⁰
Carry outstanding balance only to LINE 2, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			

003294:558

SCHEDULE C
(Revised 3/83)**LOANS**Page 1 of 1 for
LINE NUMBER _____
(Use separate schedules
for each unit - and line)

Name of Committee (in Full)			
SAILOR'S UNION OF THE PACIFIC POLITICAL FUND			
A. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Balance Outstanding at Close of This Period
SAILOR'S UNION OF THE PACIFIC 46 HARRISON STREET SAN FRANCISCO, CA 94105		11,500.00	11,500.00
Election: ☐ Primary ☐ General ☐ Other (specify): TO PAY 1120 FOR TAXES		Cumulative Payments To Date	
Terms: Date Incurred 02/4/83 Date Due _____ Interest Rate _____ % (per) ☐ Secured		- 0 -	
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding \$	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding \$	
B. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Balance Outstanding at Close of This Period
Election: ☐ Primary ☐ General ☐ Other (specify):		Cumulative Payments To Date	
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (per) ☐ Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding \$	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding \$	
SUBTOTALS This Period This Page (optional)			
TOTALS This Period (last page in this line only)			
			11,500.00
Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

RQ-2

**Paul Dempster, Treasurer
Sailor's Union of the Pacific
Political Fund
450 Harrison Street
San Francisco, CA 94105**

MAR 27 1985

Identification Number: C00011338

Reference: 1984 Year End Report (10/1/84-12/31/84)

Dear Mr. Dempster:

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

-Please clarify the nature of the \$11,500 loan owed to your connected organization. Specifically, please give a detailed description of purpose, terms and history of this loan.

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,

Anthony Raymond

**Anthony/ Raymond
Reports Analyst
Reports Analysis Division**

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

20-2

April 18, 1985

Paul Dempster, Treasurer
United Union of the Pacific
444 Mission Street
San Francisco, CA 94105

Identification Number: C90C11330

Reference: 1984 Year-End Report (10/1/84-12/31/84)

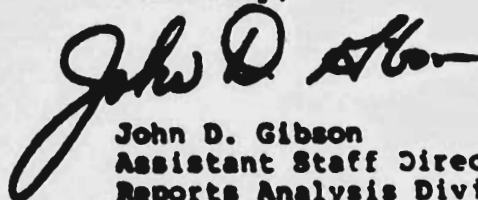
Dear Mr. Dempster:

This letter is to inform you that as of April 17, 1985, the Commission has not received your response to our request for additional information, dated March 27, 1985. That notice requested information essential to full public disclosure of your Federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). A copy of our original request is enclosed.

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Anthony Raymond 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

Enclosure

9503371299

ANALYST: Tony Raymond

CONVERSATION WITH: Brandon Tynan

COMMITTEE: Sailors' Union of the Pacific

DATE: 4/22/85

SUBJECT(S): RFAI on 1984 Year End Report

Mr. Tynan explained that the \$11,500 debt referred to in the RFAI was an accumulation of several loans made by Sailors' Union to the PAC to pay POL taxes. Mr. Tynan went on to say that the taxes were paid by the connected organization since the PAC's operating account was low and since none of the PAC's investments were ready to mature.

I told Mr. Tynan that the PAC should reimburse the connected organization immediately and state so in his response. In addition, I told Mr. Tynan to put his explanation down in writing and submit it as a response to the RFAI.

85040364178

Sailors' Union
AFFILIATED WITH THE SEAFARERS INTERNATIONAL



of the Pacific
UNION OF NORTH AMERICA A.F.L.-C.I.O.

35 APR 26 AID: 32

TELEPHONE (415) 342 8263
 CABLE ADDRESS SAILORS

SEATTLE, 00101 • 2000 FIRST AVE. • (206) 622-0200
 PORTLAND, 07310 • 3015 S. GILBERT ST. • (503) 522-0770
 OAKLAND, 00744 • 500 100 MADISON AVE. • (415) 555 6017
 OREGON, 11222 • 675 FOURTH AVE. • (503) 400-0711
 SAN FRANCISCO, 70100 • 600 ARCADE AVE. • (415) 525 7430
 SEASIDE, 00010 • 707 ALABAMA ST. • (415) 555-0777
 PT. BENDON, 00000 • 500 TOWNSEND AVE. • (415) 555-0710
 PAUL DEMPSTER • PRESIDENT/SECRETARY-TREASURER

HEADQUARTERS 450 HARRISON STREET
 SAN FRANCISCO, CALIFORNIA 94105

April 23, 1985

John D. Gibson
 Assistant Staff Director
 Reports Analysis Division
 Federal Election Commission
 Washington, D.C. 20463

Identification Number: C0001138

Reference: 1984 Year-End Report (10/1/84-13/31/84)

Dear Mr. Gibson:

Your letter of April 18, 1985 received.

Mr. Raymond's letter of March 27, 1985 was not received to our knowledge.

At Mr. Dempster's request I contacted Mr. Anthony today by telephone and herein submit the following information which will hopefully clear up the matter.

The loan in question was a series of several loans made by the Sailor's Union to the Sailor's Union of the Pacific Political Fund to pay 1120 POL taxes that came due at a time when the operating account of the Political Fund did not have enough money to pay the tax when due and no investment was due to mature to transfer money to cover it.

I will correct this situation and transfer money from the Political Fund investment back to the Sailor's immediately and this will be reflected on the next quarterly report to the Election Commission.

If there is any other information you need my number is (415) 543-7135.

Sincerely,


Brandon Tynan, Controller

35033721191

SCHEDULE B

1985 Mid-Year Report
ITEMIZED DISBURSEMENTSPage 1 of 1 for
LINE NUMBER
(Use separate schedule(s) for each
category of the Detailed
Summary Page)

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

Name of Committee (in Full)

Sailor's Union of the Pacific Political Fund

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month day, year)	Amount of Each Disbursement This Period
Sailor's Union of the Pacific 450 Harrison Street San Francisco, CA 94105	Loan Repayment Disbursement for: ☐ Primary ☐ General Other (specify):	4-24-85	11,500.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General Other (specify):	Date (month day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General Other (specify):	Date (month day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General Other (specify):	Date (month day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General Other (specify):	Date (month day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General Other (specify):	Date (month day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General Other (specify):	Date (month day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General Other (specify):	Date (month day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General Other (specify):	Date (month day, year)	Amount of Each Disbursement This Period
SUBTOTAL of Disbursements This Page (add line numbers)			
TOTAL This Period (add page this line number only)			11,500.00

95033270094180



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

JUL 31 1985

Paul Dempster, Treasurer
Sailor's Union of the Pacific
Political Fund
450 Harrison Street
San Francisco, CA 94105

Identification Number: C00011338

Reference: Mid-Year Report (4/1/85-6/30/85)

Dear Mr. Dempster:

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

-Please provide a Schedule B to support the entry of \$11,500 reported on Line 24 of the Detailed Summary Page. All loans repaid by your committee must be itemized on Schedule B, regardless of the amount. 2 U.S.C. 434(b)(6)(B)(ii).

-Schedule B of your report discloses a \$11,500 payment to your connected organization for taxes. 2 U.S.C. §441b prohibits a corporation or labor organization from contributing or expending funds for the purpose of influencing any Federal election, except that the connected organization may pay for the solicitation and administrative costs of its separate segregated fund.

The Commission notes the refund of the prohibited contribution. Although the Commission may take further legal steps concerning this matter, your prompt action in refunding the contribution will be taken into account.

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,

Anthony Raymond
Reports Analyst
Reports Analysis Division

86040384182



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2107

Date Filmed 5/27/86 Camera No. --- 2

Cameraman AS