



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 2156

Date Filmed 7/17/86 Camera No. --- 2

Cameraman AS

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FEDERAL ELECTION COMMISSION

(1) Routing Slips

(2) 12 Day Reports

(3) Comment Sheets

(4) Internal Memos

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

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

Signed

E. Kleinfeld

date

July 10, 1986

FEC 3-21-77

3504060000

Kleinfield

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Reagan - Bush and)
Angela M. Buchanan)
Jackson, treasurer)
Carter/Mondale Presidential)
Committee and S. Lee Kling,) MUR 2156
treasurer)
Senator Alan Cranston)
Democratic National Committee)
and Sharon Pratt Dixon,)
treasurer)
Leonilo Malabed)
Government of the Phillipines)
Ferdinand Marcos)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of June 24, 1986,
do hereby certify that the Commission took the following actions
in the above-captioned matter:

1. Failed in a vote of 3-3 to pass a motion to find no reason to believe that Ferdinand Marcos violated 2 U.S.C. § 441e and § 441f.

Commissioners Aikens, Elliott, and Josefiak voted affirmatively for the motion; Commissioners Harris, McDonald, and McGarry dissented.
2. Failed in a vote of 3-2 to pass a motion to find reason to believe that Ferdinand Marcos violated 2 U.S.C. § 441e and § 441f.

Commissioners Harris, McDonald, and McGarry voted affirmatively; Commissioners Elliott and Josefiak dissented; Commissioner Aikens abstained.

(continued)

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3. Failed in a vote of 2-3 to pass a motion to find no reason to believe that Leonilo Malabed violated 2 U.S.C. § 441f.

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

4. Failed in a vote of 3-2 to pass a motion to find reason to believe that Leonilo Malabed violated 2 U.S.C. § 441f.

Commissioners Harris, McDonald, and McGarry voted affirmatively; Commissioners Elliott and Josefiak dissented; Commissioner Aikens abstained.

5. Decided by a vote of 6-0 to take the following actions:

- a) Find no reason to believe that Reagan-Bush and Angela M. Buchanan Jackson, as treasurer, violated 2 U.S.C. § 441e and § 441f.
- b) Find no reason to believe that the Carter-Mondale Presidential Committee and S. Lee Kling, as treasurer, violated 2 U.S.C. § 441e and § 441f.
- c) Find no reason to believe that Senator Alan Cranston violated 2 U.S.C. § 441e and § 441f.
- d) Find no reason to believe that the Democratic National Committee and Sharon Pratt Dixon, as treasurer, violated 2 U.S.C. § 441e and § 441f.

(continued)

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Federal Election Commission
Certification for MUR 2156
June 24, 1986

Page 3

- e) Direct the Office of General Counsel to send appropriate letters.
- f) Close the file in this matter.

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

Attest:

6-24-86

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

86040600005



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 1, 1986

Dr. Leonilo Malabed
3085 Twenty-fourth Street
San Francisco, CA 91110

RE: MUR 2156

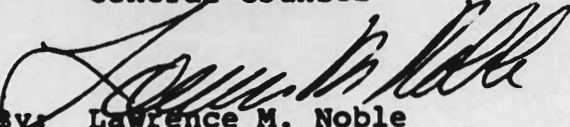
Dear Dr. Malabed:

On April 3, 1986, the Commission notified you of a complaint alleging that you had violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, considered the complaint but was unable by the required four votes to find reason to believe a violation of any statute within its jurisdiction has been committed. Accordingly, on June 24, 1986, the Commission closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel


By: Lawrence M. Noble
Deputy General Counsel

8604060007



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1986

The Honorable Ferdinand Marcos
5577 Kalamino Highway
Honolulu, Hawaii

RE: MUR 2156

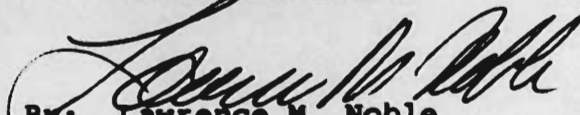
Dear Mr. Marcos:

On April 3, 1986, the Commission notified you of a complaint alleging that you had violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, considered the complaint but was unable by the required four votes to find reason to believe a violation of any statute within its jurisdiction has been committed. Accordingly, on June 24, 1986, the Commission closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel


By: Lawrence M. Noble
Deputy General Counsel

8604060008



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1986

Joseph A. Rieser, Jr., Esquire
Reed, Smith, Shaw & McClay
1150 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2156
Democratic National Committee
and Sharon Pratt Dixon,
treasurer

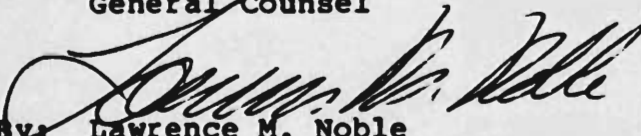
Dear Mr. Rieser:

On April 3, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, determined that on the basis of the information in the complaint, and information provided by you there is no reason to believe that a violation of any statute within its jurisdiction has been committed by the Democratic National Committee. Accordingly, the Commission closed its file in this matter.

Sincerely,

Charles N. Steele
General Counsel


By: Lawrence M. Noble
Deputy General Counsel

86040500009



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1986

The Honorable Alan Cranston
112 Hart Senate Office Building
Washington, D.C. 20510

RE: MUR 2156

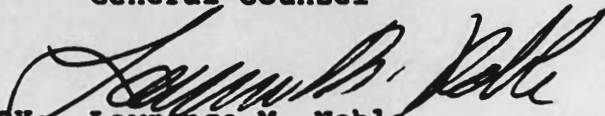
Dear Senator Cranston:

On April 3, 1986, the Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by you. Accordingly, the Commission closed its file in this matter.

Sincerely,

Charles N. Steele
General Counsel


BY: Lawrence M. Noble
Deputy General Counsel

86040600010



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 1, 1986

John J. Duffy, Esquire
Pierson, Ball & Dowd
1200 18th Street, N.W.
Washington, D.C. 20036

RE: MUR 2156
Reagan-Bush and Angela M.
Buchanan Jackson,
as treasurer

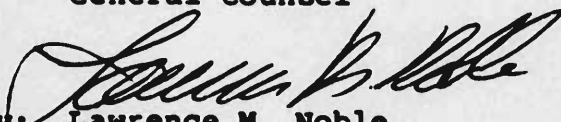
Dear Mr. Duffy:

On April 3, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by Reagan-Bush. Accordingly, the Commission closed its file in this matter.

Sincerely,

Charles N. Steele
General Counsel


By: Lawrence M. Noble
Deputy General Counsel

86040500011



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 1, 1986

Douglas B. Huron, Esquire
Kator, Scott & Hellet
Suite 900
1029 Vermont Avenue, N.W.
Washington, D.C. 20005

RE: MUR 2156
Carter/Mondale
Presidential Committee and
S. Lee Kling, treasurer

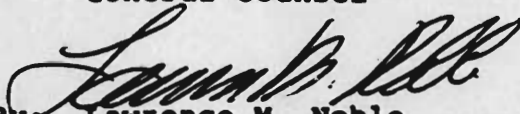
Dear Mr. Huron:

On April 3, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by the Carter/Mondale Presidential Committee. Accordingly, the Commission closed its file in this matter.

Sincerely,

Charles N. Steele
General Counsel


By: Lawrence M. Noble
Deputy General Counsel

86040300012



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1986

Mary Jane Freeman
P.O. Box 17557
Washington, D.C. 20041

Re: MUR 2156

Dear Ms. Freeman:

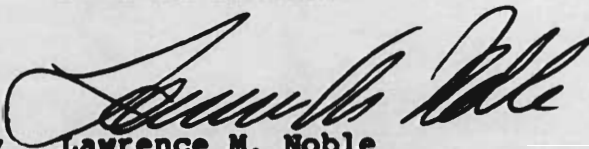
86040500013

The Federal Election Commission has reviewed the allegations of your complaint dated March 24, 1986 and determined on June 24, 1986 that, with regard to the alleged recipients of the contributions complained of, there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") has been committed. With regard to the alleged contributions, the Commission was unable, by the required four votes, to find reason to believe that any violation of the Act was committed. Accordingly, the Commission has decided to close the file in this matter. The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele
General Counsel


By Lawrence M. Noble
Deputy General Counsel

Enclosure
General Counsel's Report



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1986

Dr. Leonilo Malabed
3085 Twenty-fourth Street
San Francisco, CA 94110

RE: MUR 2156

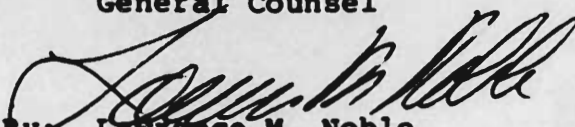
Dear Dr. Malabed:

On April 3, 1986, the Commission notified you of a complaint alleging that you had violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, considered the complaint but was unable by the required four votes to find reason to believe a violation of any statute within its jurisdiction has been committed. Accordingly, on June 24, 1986, the Commission closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel


By: Lawrence M. Noble
Deputy General Counsel

8504050014



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1986

The Honorable Ferdinand Marcos
5577 Kalamino Highway
Honolulu, Hawaii

RE: MUR 2156

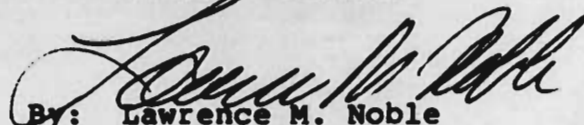
Dear Mr. Marcos:

On April 3, 1986, the Commission notified you of a complaint alleging that you had violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, considered the complaint but was unable by the required four votes to find reason to believe a violation of any statute within its jurisdiction has been committed. Accordingly, on June 24, 1986, the Commission closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel


By: Lawrence M. Noble
Deputy General Counsel

8504050015



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 1, 1986

Joseph A. Rieser, Jr., Esquire
Reed, Smith, Shaw & McClay
1150 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2156
Democratic National Committee
and Sharon Pratt Dixon,
treasurer

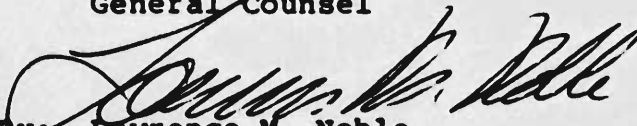
Dear Mr. Rieser:

On April 3, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, determined that on the basis of the information in the complaint, and information provided by you there is no reason to believe that a violation of any statute within its jurisdiction has been committed by the Democratic National Committee. Accordingly, the Commission closed its file in this matter.

Sincerely,

Charles N. Steele
General Counsel

By: 
Lawrence M. Noble
Deputy General Counsel

86040600016



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 1, 1986

The Honorable Alan Cranston
112 Hart Senate Office Building
Washington, D.C. 20510

RE: MUR 2156

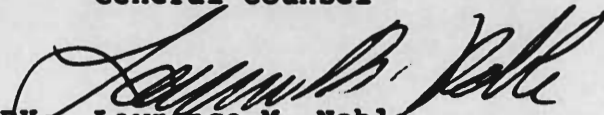
Dear Senator Cranston:

On April 3, 1986, the Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by you. Accordingly, the Commission closed its file in this matter.

Sincerely,

Charles N. Steele
General Counsel


BY: Lawrence M. Noble
Deputy General Counsel

8604060017



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1986

John J. Duffy, Esquire
Pierson, Ball & Dowd
1200 18th Street, N.W.
Washington, D.C. 20036

RE: MUR 2156
Reagan-Bush and Angela M.
Buchanan Jackson,
as treasurer

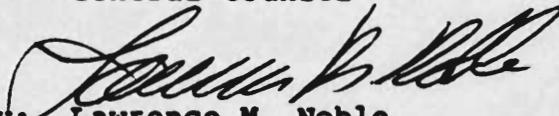
Dear Mr. Duffy:

On April 3, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by Reagan-Bush. Accordingly, the Commission closed its file in this matter.

Sincerely,

Charles N. Steele
General Counsel

By: 
Lawrence M. Noble
Deputy General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 1, 1986

Douglas B. Huron, Esquire
Kator, Scott & Hellet
Suite 900
1029 Vermont Avenue, N.W.
Washington, D.C. 20005

RE: MUR 2156
Carter/Mondale
Presidential Committee and
S. Lee Kling, treasurer

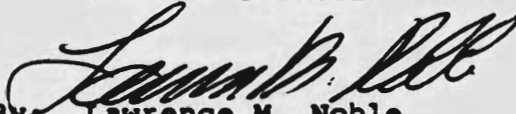
Dear Mr. Huron:

On April 3, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by the Carter/Mondale Presidential Committee. Accordingly, the Commission closed its file in this matter.

Sincerely,

Charles N. Steele
General Counsel


By: Lawrence M. Noble
Deputy General Counsel

86040600019



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Mary Jane Freeman
P.O. Box 17557
Washington, D.C. 20041

Re: MUR 2156

Dear Ms. Freeman:

The Federal Election Commission has reviewed the allegations of your complaint dated March 24, 1986 and determined on June 24, 1986 that, with regard to the alleged recipients of the contributions complained of, there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") has been committed. With regard to the alleged contributions, the Commission was unable, by the required four votes, to find reason to believe that any violation of the Act was committed. Accordingly, the Commission has decided to close the file in this matter. The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele
General Counsel

By Lawrence M. Noble
Deputy General Counsel

Enclosure
General Counsel's Report

21K

85040500020



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Dr. Leonilo Malabed
3085 Twenty-fourth Street
San Francisco, CA 91110

RE: MUR 2156

Dear Dr. Malabed:

On April 3, 1986, the Commission notified you of a complaint alleging that you had violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, considered the complaint but was unable by the required four votes to find reason to believe a violation of any statute within its jurisdiction has been committed. Accordingly, on June 24, 1986, the Commission closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Σκ

86040300021



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

**The Honorable Ferdinand Marcos
5577 Kalamino Highway
Honolulu, Hawaii**

RE: MUR 2156

Dear Mr. Marcos:

On April 3, 1986, the Commission notified you of a complaint alleging that you had violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, considered the complaint but was unable by the required four votes to find reason to believe a violation of any statute within its jurisdiction has been committed. Accordingly, on June 24, 1986, the Commission closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

**Charles N. Steele
General Counsel**

**By: Lawrence M. Noble
Deputy General Counsel**

2K

85040600022



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Joseph A. Rieser, Jr., Esquire
Reed, Smith, Shaw & McClay
1150 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2156
Democratic National Committee
and Sharon Pratt Dixon,
treasurer

Dear Mr. Rieser:

On April 3, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, determined that on the basis of the information in the complaint, and information provided by you there is no reason to believe that a violation of any statute within its jurisdiction has been committed by the Democratic National Committee. Accordingly, the Commission closed its file in this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

2K

85040500023



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

The Honorable Alan Cranston
112 Hart Senate Office Building
Washington, D.C. 20510

RE: MUR 2156

Dear Senator Cranston:

On April 3, 1986, the Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by you. Accordingly, the Commission closed its file in this matter.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

SL

85040600024



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

John J. Duffy, Esquire
Pierson, Ball & Dowd
1200 18th Street, N.W.
Washington, D.C. 20036

RE: MUR 2156
Reagan-Bush and Angela M.
Buchanan Jackson,
as treasurer

Dear Mr. Duffy:

On April 3, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by Reagan-Bush. Accordingly, the Commission closed its file in this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

ΣΚ

86040500025



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Douglas B. Huron, Esquire
Kator, Scott & Hellet
Suite 900
1029 Vermont Avenue, N.W.
Washington, D.C. 20005

RE: MUR 2156
Carter/Mondale
Presidential Committee and
S. Lee Kling, treasurer

Dear Mr. Huron:

On April 3, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on June 24, 1986, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by the Carter/Mondale Presidential Committee. Accordingly, the Commission closed its file in this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

ELC

86040500025

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Reagan - Bush and)
Angela M. Buchanan)
Jackson, treasurer)
Carter/Mondale Presidential)
Committee and S. Lee Kling,) MUR 2156
treasurer)
Senator Alan Cranston)
Democratic National Committee)
and Sharon Pratt Dixon,)
treasurer)
Leonilo Malabed)
Government of the Phillipines)
Ferdinand Marcos)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of June 24, 1986,
do hereby certify that the Commission took the following actions
in the above-captioned matter:

1. Failed in a vote of 3-3 to pass a motion to
find no reason to believe that Ferdinand
Marcos violated 2 U.S.C. § 441e and § 441f.

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

2. Failed in a vote of 3-2 to pass a motion to
find reason to believe that Ferdinand Marcos
violated 2 U.S.C. § 441e and § 441f.

Commissioners Harris, McDonald, and McGarry
voted affirmatively; Commissioners Elliott
and Josefiak dissented; Commissioner Aikens
abstained.

(continued)

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3. Failed in a vote of 2-3 to pass a motion to find no reason to believe that Leonilo Malabed violated 2 U.S.C. § 441f.

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

4. Failed in a vote of 3-2 to pass a motion to find reason to believe that Leonilo Malabed violated 2 U.S.C. § 441f.

Commissioners Harris, McDonald, and McGarry voted affirmatively; Commissioners Elliott and Josefiak dissented; Commissioner Aikens abstained.

5. Decided by a vote of 6-0 to take the following actions:

- a) Find no reason to believe that Reagan-Bush and Angela M. Buchanan Jackson, as treasurer, violated 2 U.S.C. § 441e and § 441f.
- b) Find no reason to believe that the Carter-Mondale Presidential Committee and S. Lee Kling, as treasurer, violated 2 U.S.C. § 441e and § 441f.
- c) Find no reason to believe that Senator Alan Cranston violated 2 U.S.C. § 441e and § 441f.
- d) Find no reason to believe that the Democratic National Committee and Sharon Pratt Dixon, as treasurer, violated 2 U.S.C. § 441e and § 441f.

(continued)

86040500028

Federal Election Commission
Certification for MUR 2156
June 24, 1986

Page 3

- e) Direct the Office of General Counsel to send appropriate letters.
- f) Close the file in this matter.

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

Attest:

6-24-86

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

36040600029

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

CC JUN 17 AIC: 42

Date and Time of Transmittal By
OGC to the Commission _____

MUR # 2156
Date Complaint Received
By OGC March 28, 1986
Date of Notification to
Respondent April 3, 1986
Staff Eric Kleinfeld

Complainant's Name: Mary Jane Freeman

Respondents' Names: Reagan-Bush
Angela M. Buchanan Jackson, treasurer
Carter/Mondale Presidential Committee
S. Lee Kling, treasurer
Senator Alan Cranston
Democratic National Committee
Sharon Pratt Dixon, treasurer
Leonilo Malabed
Government of the Philippines
Ferdinand Marcos

Relevant Statutes: 2 U.S.C. § 441e and § 441f

Internal Reports Checked: Disclosure Reports
Contributor Lists

Federal Agencies Checked: None

Summary of Allegations

On March 28, 1986, the Office of General Counsel received a signed, sworn and notarized complaint from Mary Jane Freeman, alleging violations of the Federal Election Campaign Act of 1971, as amended, ("Act"). Specifically, the complaint alleges that the 1980 Presidential campaigns of Ronald Reagan and Jimmy Carter plus United States Senator Alan Cranston and the Democratic National Committee may have accepted contributions made by a foreign national, in the form of contributions made in the name of another.

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Factual and Legal Analysis

Complainant submitted a one page complaint accompanied by several newspaper articles concerning the allegations. The subject of the complaint are alleged contributions made by an unnamed foreign national (or the Government of the Philippines) to the following: the 1980 Presidential campaign of Ronald Reagan ("Reagan-Bush"), the 1980 Presidential campaign of Jimmy Carter ("Carter-Mondale"), United States Senator Alan Cranston and the Democratic National Committee ("DNC"). Complainant alleges that these contributions may have been made "in the name of another" and also may have been made in "excess of the federally imposed limits from these sources."

The two newspaper articles submitted with the complaint provide more details as to the circumstances surrounding the complaint's allegations. According to the articles, a document brought to this country by former President Ferdinand Marcos of the Philippines purportedly shows that contributions were made to the following candidates in the following amounts: Jimmy Carter - \$51,500, Ronald Reagan - \$50,000, and Alan Cranston - \$10,000. The contributions were supposedly made through the Mabuhay Corporation of California, whose director at the time was Dr. Leonilo Malabed, a boyhood friend of Marcos'.

Notification of complaint letters were mailed to the alleged recipients of these contributions and to Dr. Leonilo Malabed. 1/

1/ Letters were also sent to Ferdinand Marcos in Hawaii and to the Embassy of the Philippines, as a representative of the Philippine Government. The Marcos letter was not responded to nor was it returned undelivered. The Embassy responded through the United States Department of State.

All of these parties responded in writing.

The Reagan-Bush response requests that the Commission take no action on this matter, since the complaint has no basis to support the allegations, inasmuch as it lacks any evidence that the contributions were ever made.

The Carter-Mondale response denied knowingly receiving either contributions from foreign nationals or contributions made in the name of another.

Senator Cranston's response denies having ever received a campaign contribution from Ferdinand Marcos or any of Marcos' agents or from the Philippine government. Cranston admits that in 1980 his Senate campaign received \$500 from Dr. Malabed, but states that he had no reason to connect this with Marcos or the Philippine Government.

The DNC's response denies any violation with regard to complainant's allegations. The DNC admits receiving a contribution from Leonilo Malabed in the amount of \$4125, but states that the contribution appeared on its face "to be a legal contribution from a resident of California, and the DNC properly reported it as such." The DNC states that the complaint contains insufficient evidence to support its allegations, and that the DNC did not knowingly accept an illegal contribution of funds obtained by Mr. Malabed from prohibited sources.

In Malabed's response, he claims to not be "aware of any foreign (Philippine) sources of money contributed to politicians through me or any corporation under my control or ownership."

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The prohibition on contributions by foreign nationals is contained at 2 U.S.C. § 441e:

It shall be unlawful for a foreign national directly or through any other person to make any contribution of money or other thing of value... in connection with an election to any political office;... or for any person to solicit, accept, or receive any such contribution from a foreign national.

The term "foreign national" is defined by 2 U.S.C. § 441e(b) (1) to mean a "foreign principal" as this term is defined specifically by 22 U.S.C. § 611(b). Section 611(b) defines a "foreign principal" as including:

- (1) a government of a foreign country and a foreign political party.
- (2) a person outside of the United States, unless it is established that such person is an individual and a citizen of and domiciled within the United States, or that such person is not an individual and is organized under or created by the laws of the United States or of any State or other place subject to the jurisdiction of the United States and has its principal place of business in the United States, and
- (3) a partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business is a foreign country.

The prohibition on making contributions in the name of another is contained at 2 U.S.C. § 441f:

No person shall knowingly make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person.

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Recipients

The evidence supporting complainant's allegations is limited at this stage of the matter. An examination of committee records on file with the Commission fails to disclose any direct contributions by Ferdinand Marcos (or for that matter, the Government of the Philippines) to any of the alleged recipients named in the complaint. Mr. Malabed made several contributions with regard to the 1980 elections, as follows:

<u>Recipient</u>	<u>Amount</u>	<u>Election</u>
Carter-Mondale	\$125	1980 Primary
Carter-Mondale	875	1980 Primary
DNC	4125	1980 Primary

The reports also indicate that a Mrs. Malabed made the following contributions: 2/

<u>Recipient</u>	<u>Amount</u> <u>3/</u>	<u>Election</u>
Carter-Mondale	\$500	1980 Primary
Carter-Mondale	625	1980 Primary
Carter-Mondale	300	1980 Primary

No evidence was submitted establishing a link between the contributions made by Malabed and any foreign national. The

2/ Mrs. Malabed was listed as "Mrs. Leonilo," "Mrs. Patrice" and "Mrs. L." with the same addresses as Leonilo Malabed.

3/ Although the aggregate amount contributed is \$1400, consistent with past Commission actions, the Office of General Counsel is recommending no action at this time on a possible 2 U.S.C. § 441a(a)(1)(A) violation.

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allegations are based on the existence of a document which purportedly shows intended contributions by Marcos. However, as each of the recipients expressly or implicitly contend, nothing from the face of the contributions received from Malabed indicates that they were made in the name of another or had originated from foreign sources. Both 2 U.S.C. § 441e and § 441f require knowing acceptance of these prohibited contributions, yet complainant supplies no evidence to establish that the recipients had any knowledge that the source of the contributions may have been someone other than whose name appeared on the checks.

With respect to each of the responses submitted by the recipients, the arguments made go to the sufficiency of the evidence submitted with the complaint. Counsel for Reagan-Bush contends that since the complaint supplies no evidence that the particular contributions were ever made, there is no basis for making a reason to believe determination. Counsel for Carter-Mondale states that that Committee has no knowledge regarding any of the contributions referred to in the complaint.

Senator Cranston states that he has no knowledge of ever receiving a campaign contribution from Marcos or any of his agents or from the Philippine government. Senator Cranston admits receiving a \$500 contribution from Leonilo Malabed in 1980, but states that he does not know Malabed and had no reason to connect him with Marcos.

The DNC states that while it too received a contribution from Leonilo Malabed in 1980, the contribution appeared on its fact to be a legal contribution from a resident of California and was properly reported as such.

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Because of the limited evidence submitted with the complaint regarding the recipients of the contributions at issue, the Office of General Counsel recommends that the Commission find no reason to believe that Reagan-Bush and Angela M. Buchanan Jackson, as treasurer, Carter-Mondale and S. Lee Kling, as treasurer, Senator Alan Cranston, and the Democratic National Committee and Sharon Pratt Dixon, as treasurer violated 2 U.S.C. § 441e and § 441f.

Contributors

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The making of the contributions, by Ferdinand Marcos through a conduit, possibly either by Leonilo Malabed or by a corporation under his control, the Mabuhay Corporation, is purportedly evidenced by a document brought to the United States by Marcos and currently in the possession of the House Committee on Foreign Affairs, Subcommittee on Asian and Pacific Affairs. A copy of the document was received by the Commission. The document is labelled "Mabuhay Corporation Statement of Expenses" and dated February 15, 1982. It purports to show expenses of \$51,500 paid to Carter, \$50,000 paid to Reagan, and \$10,000 paid to Cranston. The document also contains a handwritten note, by an unidentified person, stating that the money was received from PNB 4/ for intelligence purposes. If the information contained in that document is correct, contributions were made by Marcos through the Mabuhay Corporation, with Leonilo Malabed serving as conduit as agent of the Mabuhay Corporation, then such activities

4/ Possibly, the Philippine National Bank, according to news accounts attached to the complaint.

would violate 2 U.S.C. § 441e. Marcos, by virtue of his foreign citizenship, is a foreign national within the meaning of 2 U.S.C. § 441e. A foreign national may not through any person contribute to any election for political office. Additionally, if the actual contributions were made in the name of Mr. Malabed and others, this activity would violate 2 U.S.C. § 441f, which prohibits any person from allowing his name to be used for a contribution by another.

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Ferdinand Marcos was notified of the complaint but failed to respond. 5/ Mr. Malabed responded to the complaint, stating in an unsworn response, that he is "not aware of any foreign (Philippines) sources of money contributed to politicians in this county through me or any corporation under my control or ownership." This denial was accompanied by what Mr. Malabed terms a list of his political contributions made from 1979 to 1983, on a document apparently filed with a San Francisco city official. However, the list is not an accurate disclosure record. This list includes the 1980 contribution by Malabed to the DNC, but reports the amount as \$5000, whereas both Commission and DNC records show the amount as \$4125. The list also fails to include any of the contributions previously cited as having been made in 1980 by Malabed to Carter-Mondale.

5/ Mr. Marcos' notification letter was mailed to him in Hawaii by regular first class mail. Although no response was received, the letter itself was not returned to the Commission, giving rise to the presumption of delivery of the mails.

In light of these circumstances, the Office of General Counsel recommends that the Commission find reason to believe that Ferdinand Marcos violated 2 U.S.C. § 441e and § 441f and that Leonilo Malabed 6/ violated 2 U.S.C. § 441f. 7/ In addition, the Office of General Counsel recommends that the Commission authorize the sending of the attached letter to the Chairman of the House Sub-committee on Asian and Pacific Affairs requesting any information they may have.

Recommendations

The Office of General Counsel recommends that the Commission:

1. Find reason to believe that Ferdinand Marcos violated 2 U.S.C. § 441e and § 441f.

2. Find reason to believe that Leonilo Malabed violated 2 U.S.C. § 441f.

3. Find no reason to believe that Reagan-Bush and Angela M. Buchanan Jackson, as treasurer, violated 2 U.S.C. § 441e and § 441f.

4. Find no reason to believe that the Carter-Mondale Presidential Committee and S. Lee Kling, as treasurer, violated 2 U.S.C. § 441e and § 441f.

5. Find no reason to believe that Senator Alan Cranston violated 2 U.S.C. § 441e and § 441f.

6/ Because the Mabuhay Corporation was dissolved in 1982, the Office of General Counsel is recommending that this determination name Leonilo Malabed, who was agent for and director of the corporation, and who, it is alleged, may have actually made the contributions.

7/ The Office of General Counsel is making no recommendation with regard to the Government of the Philippines, since the newspaper articles specify Ferdinand Marcos as the contributor. Additionally, no recommendation is being made with regard to the excessive amount of the contribution, since the entire amount of the contributions is presumably prohibited by 2 U.S.C. § 441e and § 441f.

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8. Approve the attached letters.

Charles N. Steele
General Counsel

June 16, 1986
Date

BY: Lawrence M. Noble
Deputy General Counsel

Attachments

- A. Responses
- B. Letters

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Kleinfeld ATTACHMENT 1 ①

PIERSON, BALL & DOWD

ATTORNEYS AT LAW

1200 18TH STREET, N.W.

WASHINGTON, D.C. 20036

(202) 331-8566

CABLE ADDRESS "PIERBALL"

TELEX NO. 64711

OKLAHOMA OFFICE
FIRST OKLAHOMA TOWER, SUITE 1310
210 W PARK AVENUE
OKLAHOMA CITY, OKLA 73102
(405) 235-7686

JOHN J. DUFFY
(202) 487-8816

April 25, 1986

BY HAND

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

ATT: Eric Kleinfeld, Esq.

Re: MUR 2156

Dear Mr. Steele:

This is in response to your letter dated April 3, 1986. In that letter you offered Reagan-Bush '84 an opportunity to comment on a complaint that you describe as alleging that Reagan-Bush '84 and Angela M. Buchanan-Jackson, its Treasurer, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended. We submit, respectfully, that the complaint fails to provide any basis on which the Commission could find reason to believe that Reagan-Bush '84 has committed any violation of the Act, and consequently, we believe that no further action should be taken on this matter.

Although your letter is addressed to Reagan-Bush '84, the complaint requests "an investigation into the substance of press reports that the 1980 Presidential Campaign of Ronald Reagan" received illegal campaign contributions. Since the complaint references only the 1980 campaign, we do not agree with your characterization of the complaint as alleging violations by Reagan-Bush '84.

Nevertheless, even if the allegations in the complaint were addressed to Reagan-Bush '84, they would be insufficient to support a "reason to believe" finding. The allegations in the complaint are supported solely by photocopies of articles from the Washington Post. According to these articles a document that was brought to the United States

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GENERAL COUNSEL

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Page Two
April 25, 1986

by Ferdinand Marcos indicates that Mr. Marcos, or associates of Mr. Marcos, made illegal contributions to Ronald Reagan's 1980 campaign in the amount of fifty thousand dollars. This document is described in these articles as a "list of intended recipients." The articles also state that "no evidence has been found to support the document's assertion that \$50,000.00 contributions were made to ... the Reagan 1980" campaign. (Article dated 3/21/86).

Since the complaint does not provide any evidence that the planned contributions were in fact made, and since it does not give any basis for concluding that further evidence about this matter can be obtained, we are unable to see what purpose would be served by commencing an investigation. Consequently, we respectfully submit that the Commission should take no further action based on the evidence presented in the complaint.

Reagan-Bush '84

By:

John J. Duffy
PIERSON, BALL & DOWD
1200 18th Street, N.W.
Washington, D.C. 20036
(202) 331-8566

Its Attorneys

cc: Kenneth Gross, Esq.
Eric Kleinfeld, Esq.

86040300041

GC#329

③

LAW OFFICES
KATOR, SCOTT & HELLER
CHARTERED
SUITE 800
1028 VERMONT AVENUE, N. W.
WASHINGTON, D. C. 20005
(202) 393-3800

April 24, 1986

Kenneth A. Gross
Associate General Counsel
Federal Election Commission
Washington, DC 20463

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GENERAL COUNSEL

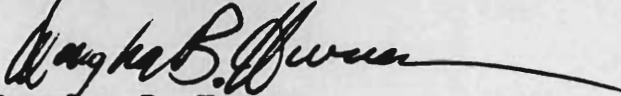
re: MUR 2156

Dear Mr. Gross:

A newspaper story says that Filipino sources unlawfully contributed to both the 1980 Carter and Reagan campaigns. The Carter/Mondale Presidential Committee has no knowledge of this. No one at the Committee knowingly received either contributions from foreign nationals or contributions made in the name of another.

It would also appear that inquiry into this matter is barred by the doctrine of laches, if not by the statute of limitations.

Sincerely,


Douglas B. Huron

26040500042

United States Senate

WASHINGTON, DC 20510

April 15, 1986

Federal Elections Commission
Washington, D.C. 20463

RE: MUR 2156

Dear Sirs,

In response to your letter of April 3, 1986, I intend, herein, to provide you with all I know about the substance of the stories which appeared in the news media last month concerning the possibility that President Ferdinand Marcos or his agents might have made political contributions to me.

First, I have no knowledge of ever receiving a campaign contribution from Marcos or any of his agents or from the Philippine government, nor have I ever knowingly accepted any political contribution prohibited by law. To the best of my knowledge, this is also true for all of my campaign committees.

When the above-mentioned stories appeared, my immediate reaction was that it would have made no sense for Marcos or his minions to launder political contributions to my campaigns. I have been the most consistent and persistent critic of Marcos in the United States Senate, having been publicly and strongly critical of him and his government for more than a decade.

Nevertheless I immediately had a search made of my '80 and '86 Senate FEC reports and my Presidential FEC reports for the names which the Mabuhay "statement of expenses" implied might be possible conduits for Marcos money. We found nothing and announced this to the press the morning of March 19th (press release attached).

Later that day a reporter brought to my attention the names of a number of persons alleged to be officials of the Mabuhay Corp., the company whose name appears at the head of the "statement of expenses" that was the basis for the news

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reports. We again examined our FEC reports and found two contributors to my 1980 Senate campaign with the same names, as follows:

Leonilo L. Malabed, Physician, \$500
145 Mountain Spring Ave.
San Francisco, CA 94110

Romero A. Esperanza, No occupation given, \$500
P.O. Box 5532
San Francisco, CA 94101

(See my second press release of March 19.)

Five days later, we were given the name of A.M. Bautiste to check. We found the following names of persons who contributed also:

A. Marquez Bautista, Attorney, \$500
870 Market Street
San Francisco, CA 94102

Antonio M. Bautista, Attorney, \$500
1535 Powell Street
San Francisco, CA 94133

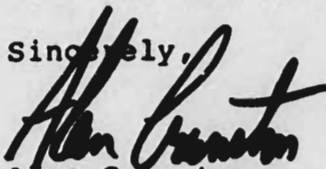
All of this information is taken from my FEC report filed May 20, 1980.

I want to stress that I do not know any of these individuals and have not had any reason to connect them with the Marcos regime. I have had no reason to question whether their contributions were from their own personal funds. Moreover, I do not know for a fact and am not alleging that these individuals have or had any connection with the Marcos regime or the Mabuhay Corp.

That's all I know about the story. In response to the specific language of your letter, I have not, to the best of my knowledge, violated any sections of the Federal Election Campaign Act of 1971, and I see no reason why any action should be taken against me in this matter.

I stand ready to cooperate with the FEC in its investigation.

Sincerely,


Alan Cranston

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(6)

OFFICE U.S. SENATOR ALAN CRANSTON
112 Hart Senate Office Building, Washington, D.C. 20510

Press Contact: Murray S. Flander
Office Phone: 202/224-5596;-3901
Home Phone: 703/573-0740;-4577

March 19, 1986
PAPERS1

FOR IMMEDIATE RELEASE

Senator Alan Cranston (D., Calif.) today issued the following statement at a hearing held by the House Subcommittee on Asian and Pacific Affairs: .

IT IS EXTREMELY IRONIC THAT AS ONE OF MARCOS' STRONGEST FOES MY NAME SHOWS UP ON SOME LIST IN MARCOS' PAPERS.

WE DO NOT KNOW THE SIGNIFICANCE OF THE LIST. PERHAPS IT WAS SOMEBODY'S FAKE EXPENSE ACCOUNT.

I DO KNOW THAT WE HAVE CHECKED OUR FEDERAL ELECTION REPORTS AND CAN FIND NO EVIDENCE THAT I EVER RECEIVED CAMPAIGN CONTRIBUTIONS FROM ANY OF THE INDIVIDUALS WHOM THE LIST IMPLICITLY SUGGESTS MAY HAVE BEEN CONDUITS FOR ILLEGAL CONTRIBUTIONS.

I DO KNOW THAT I HAVE BEEN A STEADFAST FOE OF THE MARCOS DICTATORSHIP.

I ATTACKED MARCOS FIRST IN A SENATE SPEECH ON APRIL 12, 1973. I WAS THE AUTHOR OF THE FIRST SENATE AMENDMENT TO CUT U.S. AID FUNDS TO THE MARCOS DICTATORSHIP.

IF MARCOS OR ANY OF HIS MINIONS DID MANAGE TO LAUNDER AND SNEAK MONEY INTO MY CAMPAIGN, THEY SURE PICKED THE WRONG GUY.

I HAVE NEVER HAD A GOOD WORD TO SAY ABOUT MARCOS.

86040600045

Press Contact: Murray S. Flander
Office Phone: 202/224-5596
Home Phone: 703/573-4577

March 19, 1986
PAPER2

PRESS ADVISORY

Following is a statement by Senator Alan Cranston (D., Calif.):

I STATED THIS MORNING THAT WE HAD CHECKED OUR FEDERAL ELECTIONS REPORTS AND COULD FIND "NO EVIDENCE THAT I EVER RECEIVED CAMPAIGN CONTRIBUTIONS FROM ANY OF THE INDIVIDUALS WHOM THE LIST IMPLICITLY SUGGESTS MAY HAVE BEEN CONDUITS FOR ILLEGAL CONTRIBUTIONS".

THOSE INDIVIDUALS WERE FIVE ATTORNEYS WHOSE NAMES WERE LISTED ON A "STATEMENT OF EXPENSES" FOUND AMONG MARCOS' PAPERS.

LATER TODAY, A REPORTER BROUGHT TO OUR ATTENTION THE NAMES OF EIGHT PERSONS WHO, THE REPORTER SAID, ARE OFFICERS OR DIRECTORS OF MABUHAY CORP., THE COMPANY WHOSE NAME APPEARS AT THE HEAD OF THE "STATEMENT OF EXPENSES".

WE CHECKED THOSE EIGHT NAMES AGAINST OUR CAMPAIGN CONTRIBUTIONS RECORDS AND FOUND THAT TWO HAD CONTRIBUTED \$500 EACH TO MY 1980 SENATE PRIMARY CAMPAIGN. THERE IS NO RECORD OF ANY CONTRIBUTION FROM THE OTHER SIX INDIVIDUALS.

THOSE TWO PERSONS WERE LEONILLO L. MALABED AND ROMEO A. ESPERANZA.

I WANT TO STRESS THAT I DO NOT KNOW FOR A FACT AND I AM NOT STATING THAT THESE TWO PERSONS HAD ANY CONNECTION WITH MABUHAY CORP. OR THE MARCOS REGIME. CERTAINLY AT THE TIME THE CONTRIBUTIONS WERE MADE, WE WERE NOT AWARE OF ANY REASON TO CONNECT THEM WITH MARCOS.

I ALSO WANT TO STRESS THAT I DO NOT KNOW EITHER OF THESE TWO INDIVIDUALS.

DEMOCRATIC
NATIONAL COMMITTEE

430 South Capitol Street, S.E. Washington, D.C. 20003 (202) 633-2000

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May 6, 1986

General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2156

Dear Sir:

Pursuant to 11 C.F.R. § 111.6, DNC Services Corporation/Democratic National Committee ("DNC") hereby responds to the Complaint filed against it by Mary Jane Freeman and docketed by the Commission at MUR 2156. A properly executed notice designating Joseph A. Rieser, Jr., as counsel for the DNC in this matter is enclosed.

This Complaint should be dismissed both as a matter of equity and as a matter of law. It is the rankest form of hearsay based on timeworn matters, the participants in which (on the DNC's side) are long gone, the records of which are sparse, and which are now exceedingly difficult to reconstruct. Furthermore, the violations alleged occurred in 1980. The 3-year period of limitations set forth in Section 441(i) of the Federal Election Campaign Act of 1971, as amended (the "Act"), and the 3-year period during which records must be preserved pursuant to 11 C.F.R. § 102.9(c), have long since expired. It is contrary to simple notions of fairness to require, through process, the DNC to respond to allegations made in such circumstances.

Moreover, the Complaint is also deficient as a matter of law. The gravamen of the Complaint concerns certain allegations that Ferdinand Marcos, until recently residing in the Republic of the Phillipines as President thereof, funnelled contributions from himself, various corporations and/or the Phillipines Government through various entities to various U.S. candidates and political committees in 1980. Among the allegations made in the newspaper stories accompanying the Complaint is that one Dr. Leonilo Malabed made a contribution of \$4,125 to the DNC in 1980. The Complaint alleges that

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such a contribution was a contribution by (1) the Phillipines government, a foreign national or a domestic or foreign corporation (2) in the name of another, presumably in violation of (1) Sections 441(b) or 441(e) and (2) Section 441(f) of the Act.

Such allegations are groundless. The DNC's records of contributions as maintained by it in the ordinary course of business and reported by it to this Commission show that it did receive a contribution of \$4,125 from one Leonilo Malabed, an individual, in 1980. This contribution was received as part of the proceeds of a joint fundraiser it conducted with the California State Democratic Party in that year and properly reported to the Commission. While Section 441(f) makes it a violation to accept contributions in the name of another, that provision is violated only if such a contribution is accepted knowingly. Furthermore, while Section 441(b) and 441(e) of the Act make it illegal to accept contributions from corporations or foreign nationals, Section 114.2(c) of the Commission's regulations provide that, at least with respect to corporate contributions, a violation occurs only if the acceptance is knowing. 11 C.F.R. § 114.2(c). Furthermore, Section 103.3(b)(1) of the Commission's regulations simply require that a Treasurer use "best efforts" to determine the legality of a contribution. 11 C.F.R. § 103.3(b)(1).

The facts involved here make it clear that the DNC did not violate any of these provisions. The contribution appeared on its face, from the information received by the DNC as reported by it to this Commission, to be a legal contribution from a resident of California, and the DNC properly reported it as such. See 11 C.F.R. 104.8(c) (absent evidence to the contrary, a contribution shall be reported as made by the last person signing the donative instrument prior to delivery to the committee.) Moreover, as the affidavit of Peter G. Kelly attached hereto indicates, the DNC had no reason to believe otherwise. Certainly, therefore, the DNC did not knowingly accept an illegal contribution of funds obtained by Mr. Malabed from prohibited sources, if, indeed, the contribution was illegal. Moreover, there is no reason to believe that the DNC did not use its best efforts to determine the legality of the contribution when there was nothing on the face thereof to raise concern.

Indeed, the Complaint itself nowhere charges that the DNC accepted the contribution from Dr. Malabed knowing that it was from a foreign national, foreign government or corporation. Furthermore, in the newspaper stories attached to

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General Counsel
May 6, 1986
Page 3

the Complaint, Dr. Malabed asserts that the contribution was made from his personal funds, and no facts (rather than unsupported speculation) are cited in the Complaint demonstrating anything to the contrary. In such circumstances, when the contribution appeared on its face to be legal and the DNC had no reason to believe otherwise, and in the absence of more specific facts to the contrary, the DNC cannot be charged with the violations alleged in the Complaint. To the contrary, the Complaint itself is deficient as to the DNC for it fails to allege a single fact supporting its assertion of violations.

Therefore, the complaint should be dismissed as to the DNC and no further action should be taken against it with respect to the Complaint.

Respectfully submitted,


Joseph A. Rieser, Jr.

JAR:dab
Enclosure

86040300049

BEFORE
THE
FEDERAL ELECTION COMMISSION

_____))
In re MUR 2156)
_____))

DISTRICT
~~STATE~~ OF

COLUMBIA

CITY OF

WASHINGTON

)
) ss
)

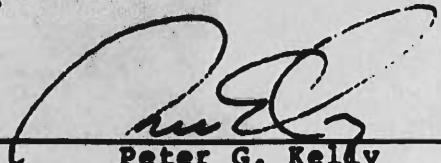
I, Peter G. Kelly, being first duly sworn, hereby
depone and say the following:

1. I was treasurer of the Democratic National
Committee ("DNC") for calendar year 1980.

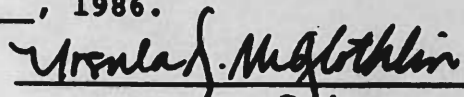
2. I have reviewed the Complaint (and attachments
thereto) filed by Mary Jane Freeman with the Federal Election
Commission and docketed by the Commission at MUR 2156, including
the statements there included regarding a contribution by
Leonilo Malabed to the Democratic National Committee in 1980
in the amount of \$4,125. That the contribution represented
the DNC's share of a contribution received in connection with
a joint fundraiser by it and the California Democratic Party.
Except for the unsubstantiated allegations set forth in
Ms. Freeman's Complaint, I am not aware of any information
which, at the time of the contribution or later, would have
led me to believe that this contribution by Mr. Malabed

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was, in fact, a contribution from a corporation, a foreign national or a foreign government.


Peter G. Kelly

Sworn to and subscribed
before me this 30th day
of April, 1986.


Notary Public

My commission expires: 2/28/87

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600# 3 1
P 1: 51
Leonilo L. Malabed, M.D. Jose Adam Sanchez, M.D.

Physicians - Surgeons

3025 Twenty-fourth Street, San Francisco, Calif. 94110

Phone: (415) 647-8111

April 9, 1986

Federal Election Commission
Washington D.C. 20463

Re: M U R 2156

Kenneth A. Gross
Associate General Counsel

Sir :

I have submitted to the Registrar of Voters for the City and County of San Francisco, a "Major Donor" report, listing my personal contributions to politicians from 1979 to 1983. I am not aware of any foreign (Philippines) sources of money contributed to politicians in this country through me or any corporation under my control or ownership. Any allegation or document that suggests this is not true. Therefore, no action should be taken against me.

If you take further action, you may contact my counsel, named in "Statement of Designation of Counsel" which I enclose.

Very respectfully yours,

LEONILO L. MALABED, MD

Enclosures : Statement of Designation of Counsel .

"Major Donor" report copies .

Copy of letter to Mr. Jay Patterson, Register of Voters .

13 APR 15 A10:05

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Leonilo L. Malabed, M.D. Jose Adam Sanchez, M.D.

Physicians - Surgeons

3085 Twenty-fourth Street, San Francisco, Calif. 94110

Phone: (415) 601-2111

April 4, 1986

JAY PATTERSON
Register of Voters
City and County of San Francisco

Dear Sir :

This is to comply to your letter asking me to file a "Major Donor " report based on a news report of the Examiner .

Because of the many years elapsed , I needed more time to get my records already in storage . I diligently went over all my files and to the best of my recollection , I am now submitting them for filing .

In 1979 , my records show only \$ 275.00 in political contributions .

In 1980 , it totaled \$ 8,950.00 .

However , I co- signed a loan for Larry Asera , a Filipino - American running for the State Assembly , from the Bank of California on September 2, 1980 . The attached communication from BankCal shows that Mr. Asera did not pay the loan when it was due . A demand to me as co- signor was executed without recourse . I did not consider it as contribution .

In 1981 , my political contributions amounted to \$ 675.00 .

Very respectfully yours ;

LEONILO L. MALABED , MD

LLM /eam

36040500053



FORM 481
1986

INDEPENDENT EXPENDITURE AND MAJOR DONOR COMMITTEE CAMPAIGN STATEMENT

15

(Government Code Sections 84200-84217)

For use by: (1) persons who have made independent expenditures to support or oppose candidates, officeholders or ballot measures totaling \$500 or more in a calendar year; or (2) persons who have made expenditures or contributions totaling \$10,000 or more in a calendar year directly to or at the behest of candidates, officeholders or committees.

Type or Print in Ink

Statement covers period 1979 through 1980-81

A OFFICIAL USE ONLY

NAME OF FILER:

LEONILLO L. MALABED

PERMANENT ADDRESS: NO. AND STREET

CITY

STATE

ZIP CODE

AREA CODE BUSINESS PHONE NUMBER

145 MOUNTAIN SPRING AVE S.F. 94114 415-647-8111

NAME OF RESPONSIBLE OFFICER IF FILER IS OTHER THAN AN INDIVIDUAL

PERMANENT ADDRESS OF RESPONSIBLE OFFICER: NO. AND STREET

CITY

STATE

ZIP CODE

AREA CODE BUSINESS PHONE NUMBER

DATE OF ELECTION (MO., DAY, YR.) IF APPLICABLE

TOTAL PAGES

I EXPENDITURES AND CONTRIBUTIONS MADE TO: (Amounts may be rounded off to whole dollars)

DATE	IND EXP. #	NAME & ADDRESS OF PAYER (IF COMMITTEE, ALSO ENTER L.S. NO. OR TREASURER'S NAME AND ADDRESS)	DESCRIPTION OF EXPENDITURE OR CONTRIBUTION MADE	NAME OF CANDIDATE & OFFICE OR NAME OF BALLOT MEASURE & BALLOT NUMBER OR LETTER	Check one		AMOUNT	CUMULATIVE AMOUNT
					Sup- port	Op- pose		
11/29/79	✓	LEONILLO MALABED 3085-24th St. S.F.	check	Arise Feinstein for Mayor Comm.	✓		\$ 250.00	
11/29/79	✓	"	"	Nancy Walker for Supervisor	✓		25.00	\$ 275.00
2/20/80	✓	"	"	Bill Maher, Jr. Ad of Education	✓		100.00	
7/3/80	✓	"	"	Democratic National Committee	✓		5,000.00	
3/6/80	✓	"	"	Mayor D. Feinstein Birthday Dinner	✓		1,250.00	
3/9/80	✓	"	"	ASIANS for Clean Cranston	✓		500.00	
4/11/80	✓	"	"	Larry Arera for Assembly	✓		1000.00	
5/9/80	✓	"	"	Assembly 1980	✓		200.00	
6/6/80	✓	"	"	Filipinos for Public Education	✓		100.00	
8/28/80	✓	"	"	Tony Ubalde School Bowl	✓		200.00	
10/10/80	✓	"	"	Tony Ubalde School Bowl	✓		100.00	
10/23/80	✓	"	"	Lee McCarthy	✓		500.00	8,950.00

Attach additional information on appropriately labeled continuation sheets.

SUBTOTAL (Carry with any additional subtotals to Line 1, Part IV) \$

*See instructions on reverse regarding "independent expenditures."

YOU MUST COMPLETE THE SUMMARY AND VERIFICATION ON PAGE 2

OFFICIAL USE ONLY	C	D	E	F
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For information required to be provided to you pursuant to the Information Practices Act of 1977, see "Information Manual on Campaign Disclosure Provisions of the Political Reform Act."



FORM 461
1986

INDEPENDENT EXPENDITURE AND MAJOR DONOR
COMMITTEE CAMPAIGN STATEMENT

(Government Code Sections 84200—84217)

For use by: (1) persons who have made independent expenditures to support or oppose candidates, officeholders or ballot measures totaling \$500 or more in a calendar year; or (2) persons who have made expenditures or contributions totaling \$10,000 or more in a calendar year directly to or at the behest of candidates, officeholders or committees.

Type or Print in Ink

Statement covers period through 1981

A OFFICIAL USE ONLY

NAME OF FILER:

LEENILLO L. MALABED

PERMANENT ADDRESS: NO. AND STREET

CITY

STATE

ZIP CODE

AREA CODE BUSINESS PHONE NUMBER

145 Mountain Spring Ave

SF 94114

415-647-8111

NAME OF RESPONSIBLE OFFICER IF FILER IS OTHER THAN AN INDIVIDUAL

PERMANENT ADDRESS OF RESPONSIBLE OFFICER: NO. AND STREET

CITY

STATE

ZIP CODE

AREA CODE BUSINESS PHONE NUMBER

DATE OF ELECTION (MO., DAY, YR.): IF APPLICABLE

TOTAL PAGES

EXPENDITURES AND CONTRIBUTIONS MADE TO: (Amounts may be rounded off to whole dollars)

DATE	IND EXP *	NAME & ADDRESS OF PAYEE IF COMMITTEE, ALSO ENTER I.S. NO. OR TREASURER'S NAME AND ADDRESS	DESCRIPTION OF EXPENDITURE OR CONTRIBUTION MADE	NAME OF CANDIDATE & OFFICE OR NAME OF BALLOT MEASURE & BALLOT NUMBER OR LETTER	Check one		AMOUNT	CUMU- LATIVE AMOUNT
					Sup- port	Op- pose		
2-24-81	-	Ben Tone Victory Celebration LEENILLO MALABED	Check	Ben Tone Supervisor	-		25.00	
9-11-81	-	"	Check-	Leo McCarthy for Vice Gov.	-		650.00	675.00
12-21-81	✓	CALIFORNIANS FOR MC CARTHY	CHECK	LEO. MCCARTHY	✓		7.50	752.50

Attach additional information on appropriately labeled continuation sheets.

SUBTOTAL (Carry with any additional subtotals to Line 1, Part IV) \$

*See instructions on reverse regarding "independent expenditures."

YOU MUST COMPLETE THE SUMMARY AND VERIFICATION ON PAGE 2

OFFICIAL USE ONLY	C	D	E	F
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For information required to be provided to you pursuant to the Information Practices Act of 1977, see "Information Manual on Campaign Disclosure Provisions of the Political Reform Act."

**INDEPENDENT EXPENDITURE AND MAJOR DONOR
COMMITTEE CAMPAIGN STATEMENT
FORM 401**

17

STATEMENT COVERS PERIOD
FROM 1980 THROUGH

NAME OF FILER:

LEONILLO L. MALABED - Co-Signer of loan Defunct

II LOANS MADE TO: (Amounts may be rounded off to whole dollars)

DATE	FULL NAME & ADDRESS OF RECIPIENT (If committee, also enter L.D. Number or Treasurer's name and address)	NAME OF CANDIDATE AND OFFICE OR NAME OF BALLOT MEASURE AND BALLOT NUMBER OR LETTER AND JURISDICTION	Check one		INT RATE	AMOUNT OF LOAN	CUMULATIVE AMOUNT
			Report	Expense			
9/2/80	Larry Asera - Assembly Vallejo, Calif.	Larry Asera for Assembly - Sonoma County	-		12.5	\$30,000.00	
Attach additional information on appropriately labeled continuation sheets.							
SUBTOTAL (Carry with additional subtotals to Line 3, Part IV)							0

III LOAN PAYMENTS RECEIVED AND LOANS FORGIVEN: (Amounts may be rounded off to whole dollars)

FULL NAME AND ADDRESS OF DESTOR AND PERSON WHO REPAYED THE LOAN IF DIFFERENT (If the loan was made to a committee, list the committee's name and address and L.D. Number. If the committee L.D. Number is unknown list the treasurer's full name and street address.)	AMOUNT FORGIVEN	AMOUNT REPAID THIS PERIOD	UNPAID BALANCE
Larry Asera - Address NOT known	0	0	30,000.00
Attach additional information on appropriately labeled continuation sheets.			
TOTAL			0
			(DO NOT CARRY TO SUMMARY SECTION)

IV SUMMARY

- Expenditures and contributions made of \$100 or more this period (Part I) \$
- Expenditures and contributions under \$100 made this period (Not itemized)
- Loans made this period (Part II). Include all subtotals
- TOTAL (Line 1 + 2 + 3)
- Total of expenditures and contributions made from prior statements. (If this is the first report for the calendar year, enter zero.)
- Cumulative expenditures and contributions made to date (since January 1 of the current year) (Line 4 + 5)

VERIFICATION

I have used all reasonable diligence in preparing this Statement. I have reviewed the Statement and to the best of my knowledge the information contained herein is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 4-7-86 at S.F. Calif.

(DATE)

(CITY AND STATE)

by

SIGNATURE OF INDIVIDUAL DONOR OR RESPONSIBLE OFFICER OTHER THAN AN INDIVIDUAL

BANKCAL

THE BANK OF CALIFORNIA

December 30, 1980

Dr. Leonilo L. Malabed
145 Mountain Spring Avenue
San Francisco, CA 94114

Re: Commercial
Loan #969137

Dear Dr. Malabed:

For your records, and to confirm our conversation of December 26, 1980, we wish to inform you that Larry Asera has not paid off his \$30,000 note which you co-signed with him on September 2, 1980. We therefore must make demand upon you for the balance outstanding as of December 31, 1980, which is \$31,239.08, including interest.

Many thanks for your cooperation in this matter, we will look forward to hearing from you at your earliest convenience.

Sincerely,

David E. Crosby
David E. Crosby, AVP
and Assistant Manager

DEC:rb

86040600057

(M)

STRICTLY CONFIDENTIAL

MAINWAY COMMISSION
STATEMENT OF EXPENSES
As of February 15, 1982

LEGAL FEES:-

1. David F. Reidy	\$16,649.99	
2. Farand, Molei, Spillane & O'Quinn	<u>1,582.70</u>	\$ 18,232.69

GOOD FAITH DEPOSIT

25,000.00

FINDER'S FEE & LAISON (John Gillian)

5,000.00

APPRAISER'S FEE (John F. Hardesty & Associates)

1,000.00

REPRESENTATION EXPENSES

1,320.83

TELEPHONE

91.52

MISCELLANEOUS EXPENSES

250.00

POLITICAL CONTRIBUTIONS (Cleared through FEC - CG):-

LOCAL ELECTIONS:-

1. SF Mayor DP	\$ 2,500.00	
2. Quentin Kopp	500.00	
3. Supervisor (Fil. Candidate)	200.00	
4. School Board (Tung & Mohr)	<u>500.00</u>	\$ 3,700.00

STATE ELECTIONS:-

1. Larry Asara	\$50,000.00	
2. Senator Alan Cranston	10,000.00	
3. Speaker Leo McCarthy	<u>10,000.00</u>	70,000.00

NATIONAL ELECTIONS:-

1. Carter-Mondale Committee	\$ 1,500.00	
2. Democrat (Carter)	50,000.00	
3. Republican (Reagan)	<u>50,000.00</u>	101,500.00

175,200.00

SPECIAL MISSIONS:-

1. 1980 ANA Convention - Honolulu	\$ 6,000.00	
2. 1980 NDC 1978 Democrat Party Convention	10,000.00	
3. 1981 Trip to Honolulu (Fly-over) (Cancun)	<u>3,500.00</u>	19,500.00

ADVANCES TO C.G. (Special Security Projects):-

1. 2-7-79	\$ 9,900.00	
2. February 1979	66,000.00	
3. October 1979	66,000.00	
4. December 1979	33,000.00	
5. January 1980	33,000.00	
6. March 1980	66,000.00	
7. April 1980	33,000.00	
8. June 1980	33,000.00	
9. August 1980	33,000.00	
10. September 1980	10,000.00	
11. 1-21-81	33,000.00	
12. 5-17-81	15,000.00	
13. 5-17-81 (Pulang-Pulang, USA)	40,783.68	
14. August 1981	15,000.00	
15. 9-25-81 (Cancun, Mexico)	<u>20,000.00</u>	506,683.68

TOTAL (As of February 15, 1982) ----- \$752,279.52

3-M-82 (CANDIDATE FESTIVAL) 10,000.00

3-M-82 - MISCELLANEOUS EXPENSES (CANDIDATE) 200.00

April 11, 1982

\$762,976.52

0 1638

I acknowledge having received
BIM from INB for intelligence purpose
minus \$762,478.52 withdrawn by the AF
by authority of the Chief of Staff
leaving a balance of about \$250,000



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

John J. Duffy, Esquire
Pierson, Ball & Dowd
1200 18th Street, N.W.
Washington, D.C. 20036

RE: MUR 2156
Reagan-Bush and Angela M.
Buchanan Jackson,
as treasurer

Dear Mr. Duffy:

On April 3, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on , 1986, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by Reagan-Bush. Accordingly, the Commission closed its file in this matter as it pertains to your client. This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

86040600059



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Douglas B. Huron, Esquire
Kator, Scott & Hellet
Suite 900
1029 Vermont Avenue, N.W.
Washington, D.C. 20005

RE: MUR 2156
Carter/Mondale
Presidential Committee and
S. Lee Kling, treasurer

Dear Mr. Huron:

On April 3, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on , 1986, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by the Carter/Mondale Presidential Committee. Accordingly, the Commission closed its file in this matter as it pertains to your client. This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

The Honorable Alan Cranston
112 Hart Senate Office Building
Washington, D.C. 20510

RE: MUR 2156

Dear Senator Cranston:

On April 3, 1986, the Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on , 1986, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by you. Accordingly, the Commission closed its file in this matter as it pertains you. This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

86040500061



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Joseph A. Rieser, Jr., Esquire
Reed, Smith, Shaw & McClay
1150 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2156
Democratic National Committee
and Sharon Pratt Dixon,
treasurer

Dear Mr. Rieser:

On April 3, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on , 1986, determined that on the basis of the information in the complaint, and information provided by you there is no reason to believe that a violation of any statute within its jurisdiction has been committed by the Democratic National Committee. Accordingly, the Commission closed its file in this matter as it pertains to your client. This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Patrick S. Hallinan, Esquire
Hallinan, Osterhauadt &
Poplack
345 Franklin Street
San Francisco, CA 94102

RE: MUR 2156
Leonilo Malabed

Dear Mr. Hallinan:

The Federal Election Commission notified your client on April 3, 1986, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your client, the Commission, on , 1986, determined that there is reason to believe that your client has violated 2 U.S.C. § 441f, a provision of the Act. Specifically, it appears that Mr. Malabed permitted the use of his name in connection with contributions made by a foreign national.

Your client's response to the Commission's initial notification of this complaint did not provide complete information regarding the matter in question. You may submit any factual or legal materials that you believe are relevant to the Commission's analysis of this matter. Please file any such response within ten days of your receipt of this notification.

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

This matter will remain 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 your client wishes the matter to be made public.

If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter, at (202)376-5690.

Sincerely,

Joan D. Aikens
Chairman

Enclosures
Procedures

86040600064



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

The Honorable Ferdinand Marcos
5577 Kalaniano'le Highway
Honolulu, Hawaii 96821

RE: MUR 2156

Dear Mr. Marcos:

The Federal Election Commission notified you on April 3, 1986, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you client at that time.

Upon further review of the allegations contained in the complaint, the Commission, on , 1986, determined that there is reason to believe that you have violated 2 U.S.C. §§ 441e and § 441f, provisions of the Act. Specifically, it appears that you, as a foreign national made prohibited campaign contributions and contributions in the name of another.

As of this date, we have received no response from you in connection with this matter. You may submit any factual or legal materials that you believe are relevant to the Commission's analysis of this matter. Please file any such response within ten days of your receipt of this notification.

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

-2-

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.

This matter will remain 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 matter to be made public.

If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter, at (202)376-5690.

Sincerely,

Joan D. Aikens
Chairman

Enclosures
Procedures

86040300066



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

**The Honorable Stephen J. Solarz
Chairman, House Subcommittee on Asian
and Pacific Affairs
707 House Annex 1
Washington, D.C. 20510**

Re: MUR 2156

Dear Chairman Solarz:

The Federal Election Commission has commenced an investigation, labelled Matter Under Review ("MUR") 2156, into possible violations of the Federal Election Campaign Act of 1971, as amended, by one or more Philippine nationals. Of relevance to this investigation are documents in the possession of the House Subcommittee on Asian and Pacific Affairs, purportedly showing campaign contributions made by ex-President Ferdinand Marcos of the Republic of the Philippines. The Commission respectfully requests that official copies of any such documents and any other relevant information be made available to the Office of General Counsel to assist in the above-mentioned investigation. Your assistance would be greatly appreciated.

If you have any questions, please have your staff contact Eric Kleinfeld, the attorney handling this matter, at (202) 376-5690.

Sincerely,

**Joan D. Aikens
Chairman**

8604060067



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Patrick Norton, Esquire
Assistant Legal Advisor for
East Asian and Pacific Affairs
Office of the Legal Advisor
United States Department of State
Washington, D.C. 20520

Re: MUR 2156

Dear Mr. Norton:

The Federal Election Commission, established in April 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, Internal Revenue Code of 1954. An investigation is being conducted in the above-captioned matter, into allegations made in a complaint filed with the Commission, involving one or more Philippine nationals. It is my understanding, pursuant to your telephone conversations with Eric Kleinfeld of this office, that a copy of this complaint which had been sent to the Embassy of the Republic of the Philippines for notification purposes, has in turn been forwarded to you.

The Commission, in this matter, has made no determinations with respect to either the present government of the Philippines or to the Embassy. However, the Commission believes that any information which the government of Philippines or the Embassy may provide would be of the utmost assistance into its investigation. This request is being directed toward you, pursuant to your letter of April 8, 1986.

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

-2-

If you have any questions, please direct them to Eric Kleinfeld, the attorney handling this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

86040500059

86 MAY 6 1966
ton, D.C. 20003 (202) 653-4000

Moreover, the Complaint is also deficient as a matter of law. The gravamen of the Complaint concerns certain allegations that Ferdinand Marcos, until recently residing in the Republic of the Phillipines as President thereof, funnelled contributions from himself, various corporations and/or the Phillipines Government through various entities to various U.S. candidates and political committees in 1980. Among the allegations made in the newspaper stories accompanying the Complaint is that one Dr. Leonilo Malabed made a contribution of \$4,125 to the DNC in 1980. The Complaint alleges that

such a contribution was a contribution by (1) the Phillipines government, a foreign national or a domestic or foreign corporation (2) in the name of another, presumably in violation of (1) Sections 441(b) or 441(e) and (2) Section 441(f) of the Act.

Such allegations are groundless. The DNC's records of contributions as maintained by it in the ordinary course of business and reported by it to this Commission show that it did receive a contribution of \$4,125 from one Leonilo Malabed, an individual, in 1980. This contribution was received as part of the proceeds of a joint fundraiser it conducted with the California State Democratic Party in that year and properly reported to the Commission. While Section 441(f) makes it a violation to accept contributions in the name of another, that provision is violated only if such a contribution is accepted knowingly. Furthermore, while Section 441(b) and 441(e) of the Act make it illegal to accept contributions from corporations or foreign nationals, Section 114.2(c) of the Commission's regulations provide that, at least with respect to corporate contributions, a violation occurs only if the acceptance is knowing. 11 C.F.R. § 114.2(c). Furthermore, Section 103.3(b)(1) of the Commission's regulations simply require that a Treasurer use "best efforts" to determine the legality of a contribution. 11 C.F.R. § 103.3(b)(1).

The facts involved here make it clear that the DNC did not violate any of these provisions. The contribution appeared on its face, from the information received by the DNC as reported by it to this Commission, to be a legal contribution from a resident of California, and the DNC properly reported it as such. See 11 C.F.R. 104.8(c) (absent evidence to the contrary, a contribution shall be reported as made by the last person signing the donative instrument prior to delivery to the committee.) Moreover, as the affidavit of Peter G. Kelly attached hereto indicates, the DNC had no reason to believe otherwise. Certainly, therefore, the DNC did not knowingly accept an illegal contribution of funds obtained by Mr. Malabed from prohibited sources, if, indeed, the contribution was illegal. Moreover, there is no reason to believe that the DNC did not use its best efforts to determine the legality of the contribution when there was nothing on the face thereof to raise concern.

Indeed, the Complaint itself nowhere charges that the DNC accepted the contribution from Dr. Malabed knowing that it was from a foreign national, foreign government or corporation. Furthermore, in the newspaper stories attached to

General Counsel
May 6, 1986
Page 3

the Complaint, Dr. Malabed asserts that the contribution was made from his personal funds, and no facts (rather than unsupported speculation) are cited in the Complaint demonstrating anything to the contrary. In such circumstances, when the contribution appeared on its face to be legal and the DNC had no reason to believe otherwise, and in the absence of more specific facts to the contrary, the DNC cannot be charged with the violations alleged in the Complaint. To the contrary, the Complaint itself is deficient as to the DNC for it fails to allege a single fact supporting its assertion of violations.

Therefore, the complaint should be dismissed as to the DNC and no further action should be taken against it with respect to the Complaint.

Respectfully submitted,



Joseph A. Rieser, Jr.

JAR:dab
Enclosure

86040590072

BEFORE
THE
FEDERAL ELECTION COMMISSION

_____))
In re MUR 2156))
_____))

DISTRICT
STATE OF

COLUMBIA

)

) ss

CITY OF

WASHINGTON

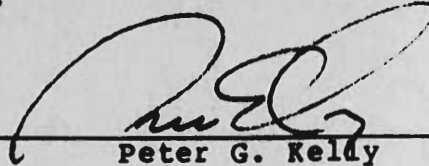
)

I, Peter G. Kelly, being first duly sworn, hereby
depose and say the following:

1. I was treasurer of the Democratic National
Committee ("DNC") for calendar year 1980.

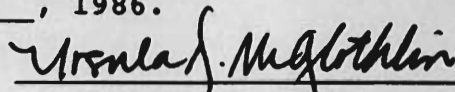
2. I have reviewed the Complaint (and attachments
thereto) filed by Mary Jane Freeman with the Federal Election
Commission and docketed by the Commission at MUR 2156, including
the statements there included regarding a contribution by
Leonilo Malabed to the Democratic National Committee in 1980
in the amount of \$4,125. That the contribution represented
the DNC's share of a contribution received in connection with
a joint fundraiser by it and the California Democratic Party.
Except for the unsubstantiated allegations set forth in
Ms. Freeman's Complaint, I am not aware of any information
which, at the time of the contribution or later, would have
led me to believe that this contribution by Mr. Malabed

was, in fact, a contribution from a corporation, a foriegn national or a foreign government.



Peter G. Kelly

Sworn to and subscribed
before me this 30th day
of April, 1986.



Ursula J. McGlothlin
Notary Public

My commission expires: 2/28/87

26040600074

STATEMENT OF DESIGNATION OF COUNSEL

NUR 2156

NAME OF COUNSEL: Joseph A. Rieser, Jr.

ADDRESS: Reed Smith Shaw & McClay
1150 Connecticut Ave., N.W.
Washington, D.C. 20036

TELEPHONE: (202) 457-6100

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.

x 4/16/86
Date


Signature

RESPONDENT'S NAME:

ADDRESS:

DNC Services Corp./
Democratic National Committee
Sharon Pratt Dixon, Treasurer
430 S. Capitol St., S.E.
Washington, D.C. 20003

HOME PHONE:

BUSINESS PHONE:

(202) 863-8000

86040600075

GCL#329

LAW OFFICES
KATOR, SCOTT & HELLER
CHARTERED
SUITE 900
1029 VERMONT AVENUE, N. W.
WASHINGTON, D. C. 20005
(202) 393-3800

April 24, 1986

Kenneth A. Gross
Associate General Counsel
Federal Election Commission
Washington, DC 20463

36 APR 25 1986 13:37

RECEIVED
GENERAL COUNSEL

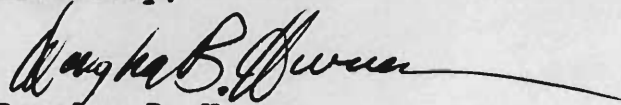
re: MUR 2156

Dear Mr. Gross:

A newspaper story says that Filipino sources unlawfully contributed to both the 1980 Carter and Reagan campaigns. The Carter/Mondale Presidential Committee has no knowledge of this. No one at the Committee knowingly received either contributions from foreign nationals or contributions made in the name of another.

It would also appear that inquiry into this matter is barred by the doctrine of laches, if not by the statute of limitations.

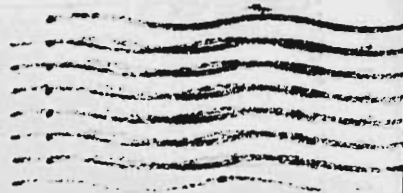
Sincerely,


Douglas B. Huron

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LAW OFFICES
DR. SCOTT & HELLER

200 VERMONT AVENUE, N.W.
WASHINGTON, D.C. 20005



Kenneth A. Gross
Associate General Counsel
Federal Election Commission
Washington, DC 20463

PIERSON, BALL & DOWD

ATTORNEYS AT LAW

1200 18TH STREET, N. W.

WASHINGTON, D. C. 20036

(202) 331-8566

CABLE ADDRESS "PIERBALL"

TELEX NO. 64711

OKLAHOMA OFFICE
FIRST OKLAHOMA TOWER, SUITE 1310
210 W PARK AVENUE
OKLAHOMA CITY, OKLA. 73102
(405) 235-7686

JOHN J. DUFFY
(202) 457-8616

April 25, 1986

BY HAND

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

ATT: Eric Kleinfeld, Esq.

Re: MUR 2156

Dear Mr. Steele:

This is in response to your letter dated April 3, 1986. In that letter you offered Reagan-Bush '84 an opportunity to comment on a complaint that you describe as alleging that Reagan-Bush '84 and Angela M. Buchanan-Jackson, its Treasurer, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended. We submit, respectfully, that the complaint fails to provide any basis on which the Commission could find reason to believe that Reagan-Bush '84 has committed any violation of the Act, and consequently, we believe that no further action should be taken on this matter.

Although your letter is addressed to Reagan-Bush '84, the complaint requests "an investigation into the substance of press reports that the 1980 Presidential Campaign of Ronald Reagan" received illegal campaign contributions. Since the complaint references only the 1980 campaign, we do not agree with your characterization of the complaint as alleging violations by Reagan-Bush '84.

Nevertheless, even if the allegations in the complaint were addressed to Reagan-Bush '84, they would be insufficient to support a "reason to believe" finding. The allegations in the complaint are supported solely by photocopies of articles from the Washington Post. According to these articles a document that was brought to the United States

86 APR 25 5:23

RECEIVED
FEDERAL ELECTION COMMISSION
APR 25 1986

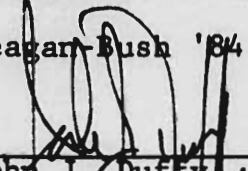
Page Two
April 25, 1986

by Ferdinand Marcos indicates that Mr. Marcos, or associates of Mr. Marcos, made illegal contributions to Ronald Reagan's 1980 campaign in the amount of fifty thousand dollars. This document is described in these articles as a "list of intended recipients." The articles also state that "no evidence has been found to support the document's assertion that \$50,000.00 contributions were made to ... the Reagan 1980" campaign. (Article dated 3/21/86).

Since the complaint does not provide any evidence that the planned contributions were in fact made, and since it does not give any basis for concluding that further evidence about this matter can be obtained, we are unable to see what purpose would be served by commencing an investigation. Consequently, we respectfully submit that the Commission should take no further action based on the evidence presented in the complaint.

Reagan-Bush '84

By:


John J. Duffy
PIERSON, BALL & DOWD
1200 18th Street, N.W.
Washington, D.C. 20036
(202) 331-8566

Its Attorneys

cc: Kenneth Gross, Esq.
Eric Kleinfeld, Esq.

PIERSON, BALL & DOWD

1200 18TH STREET, N.W.

WASHINGTON, D.C. 20036

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

PIERSON, BALL & DOWD

1200 18TH STREET N.W.

WASHINGTON, D.C. 20036

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

PIERSON, BALL & DOWD

200 18TH STREET N.W.
WASHINGTON, D.C. 20036

ATT: Eric Kleinfeld, Esq.

Charles N. Steele, Esq.

General Counsel

Federal Election Commission

Washington, D.C. 20463

QCC# 299

PIERSON, BALL & DOWD

ATTORNEYS AT LAW

1200 18TH STREET, N.W.

WASHINGTON, D.C. 20036

(202) 331-8566

CABLE ADDRESS "PIERBALL"

TELEX NO. 64711

OKLAHOMA OFFICE
FIRST OKLAHOMA TOWER, SUITE 1310
210 W. PARK AVENUE
OKLAHOMA CITY, OKLA. 73102
(405) 235-7886

JOHN J. DUFFY
(202) 457-8616

April 23, 1986

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

Re: MUR 2156

Dear Mr. Gross:

We request, on behalf of Reagan-Bush '84, a short extension of time, up to and including Friday, April 25, 1986, to respond to your letter of April 3, 1986. Our response was originally due on April 21, 1986.

Good cause exists for the extension we request. Earlier this week undersigned counsel's wife went into the hospital to give birth. The extension we request is short and will not, we expect, delay the Commission's investigation.

If you have any questions concerning this matter, please contact the undersigned.

Sincerely,

PIERSON, BALL & DOWD

John J. Duffy

JJD:dp
cc: Eric Kleinfeld

16 APR 23 P 5: 03

RECEIVED
GENERAL COUNSEL
FEDERAL ELECTION COMMISSION

PIERSON, BALL & DOWD

ATTORNEYS AT LAW

1200 18TH STREET, N.W.

WASHINGTON, D.C. 20036

(202) 331-8566

CABLE ADDRESS "PIERBALL"

TELEX NO. 64711

OKLAHOMA OFFICE
FIRST OKLAHOMA TOWER, SUITE 1310
210 W. PARK AVENUE
OKLAHOMA CITY, OKLA. 73102
(405) 238-7666

JOHN J. DUFFY
(202) 457-8616

April 23, 1986

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

Re: MUR 2156

Dear Mr. Gross:

We request, on behalf of Reagan-Bush '84, a short extension of time, up to and including Friday, April 25, 1986, to respond to your letter of April 3, 1986. Our response was originally due on April 21, 1986.

Good cause exists for the extension we request. Earlier this week undersigned counsel's wife went into the hospital to give birth. The extension we request is short and will not, we expect, delay the Commission's investigation.

If you have any questions concerning this matter, please contact the undersigned.

Sincerely,

PIERSON, BALL & DOWD

John J. Duffy

JJD:dp
cc: Eric Kleinfeld

36 APR 23 P 5: 03

RECEIVED
GENERAL COUNSEL

86040600084

PIERSON, BALL & DOWD

1200 18TH STREET, N.W.

WASHINGTON, D.C. 20036

Eric Kleinfeld, Esq.
Federal Election Commission
999 E Street, N.W., 6th Floor
Washington, D.C. 20463

16 APR 23 P 5:02

PIERSON, BALL & DOWD

1200 18TH STREET, N.W.

WASHINGTON, D. C. 20036

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

60405000900
GENERAL
06 APR 23 P5:02



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 17, 1986

Joseph A. Rieser, Jr., Esq.
Reed, Smith, Shaw & McClay
Suite 900
1150 Connecticut Avenue, N.W.
Washington, D.C. 20036-4192

Re: MUR 2156
Democratic National
Committee and Sharon Pratt
Dixon, as Treasurer

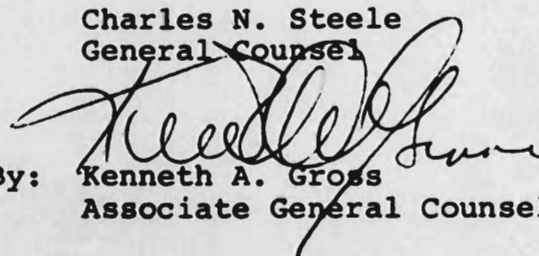
Dear Mr. Rieser:

This is in reference to your letter dated April 16, 1986, requesting an extension of two weeks to respond to notification of the complaint in this matter. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on May 6, 1986.

If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: 
Kenneth A. Gross
Associate General Counsel

86040600087



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 17, 1986

Joseph A. Rieser, Jr., Esq.
Reed, Smith, Shaw & McClay
Suite 900
1150 Connecticut Avenue, N.W.
Washington, D.C. 20036-4192

Re: MUR 2156
Democratic National
Committee and Sharon Pratt
Dixon, as Treasurer

Dear Mr. Rieser:

This is in reference to your letter dated April 16, 1986, requesting an extension of two weeks to respond to notification of the complaint in this matter. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on May 6, 1986.

If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

CCL# 240

REED SMITH SHAW & McCLAY

SUITE 900
1150 CONNECTICUT AVENUE, N.W.
WASHINGTON, DC 20036-4192

TWX 440-359-RSSM UI
FAX 202-457-6113

PITTSBURGH, PA
PHILADELPHIA, PA
HARRISBURG, PA
McLEAN, VA

REED SMITH & CHAPIN
DELRAY BEACH, FL

WRITER'S DIRECT DIAL NUMBER

(202) 457-6139

April 16, 1986

BY MESSENGER

Eric Kleinfeld, Esquire
Office of the General Counsel
999 E Street, N.W.
Washington, D.C. 20004

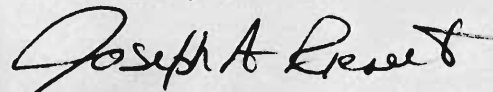
Re: MUR 2156

Dear Mr. Kleinfeld:

Per our telephone conversation today, I am writing to request a two-week extension in which to respond to MUR 2156. The DNC received the notification from the Commission on April 7, 1986 and a response is presently due April 22, 1986. With a two-week extension, the response would be due May 6, 1986.

An extension is necessary in order to perform necessary research as to the facts underlying the Complaint and to determine what, if any, documentation the DNC may have regarding the contributions which are the subject matter thereof. Because of the time which has passed since the matters alleged, this will require considerable time and effort on the part of the DNC staff.

Very truly yours,



Joseph A. Rieser, Jr.
General Counsel
Democratic National Committee

JAR:dab

36 APR 16 P4:21

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

Joseph A. Rieser, Jr.
REED SMITH SHAW & McCLAY
1150 CONNECTICUT AVENUE
WASHINGTON, D. C. 20036

Eric Kleinfeld, Esquire
Office of the General Counsel
999 E Street, N.W.
Washington, D.C. 20004

RECEIVED
OFFICE OF
GENERAL COUNSEL
40600000

16 APR 16 P4:21

United States Senate

WASHINGTON, DC 20510

April 15, 1986

Federal Elections Commission
Washington, D.C. 20463

RE: MUR 2156

Dear Sirs,

In response to your letter of April 3, 1986, I intend, herein, to provide you with all I know about the substance of the stories which appeared in the news media last month concerning the possibility that President Ferdinand Marcos or his agents might have made political contributions to me.

First, I have no knowledge of ever receiving a campaign contribution from Marcos or any of his agents or from the Philippine government, nor have I ever knowingly accepted any political contribution prohibited by law. To the best of my knowledge, this is also true for all of my campaign committees.

When the above-mentioned stories appeared, my immediate reaction was that it would have made no sense for Marcos or his minions to launder political contributions to my campaigns. I have been the most consistent and persistent critic of Marcos in the United States Senate, having been publicly and strongly critical of him and his government for more than a decade.

Nevertheless I immediately had a search made of my '80 and '86 Senate FEC reports and my Presidential FEC reports for the names which the Mabuhay "statement of expenses" implied might be possible conduits for Marcos money. We found nothing and announced this to the press the morning of March 19th (press release attached).

Later that day a reporter brought to my attention the names of a number of persons alleged to be officials of the Mabuhay Corp., the company whose name appears at the head of the "statement of expenses" that was the basis for the news

96 APR 16 P3:34

RECEIVED
APR 16 1986

reports. We again examined our FEC reports and found two contributors to my 1980 Senate campaign with the same names, as follows:

Leonilo L. Malabed, Physician, \$500
145 Mountain Spring Ave.
San Francisco, CA 94110

Romero A. Esperanza, No occupation given, \$500
P.O. Box 5532
San Francisco, CA 94101

(See my second press release of March 19.)

Five days later, we were given the name of A.M. Bautiste to check. We found the following names of persons who contributed also:

A. Marquez Bautista, Attorney, \$500
870 Market Street
San Francisco, CA 94102

Antonio M. Bautista, Attorney, \$500
1535 Powell Street
San Francisco, CA 94133

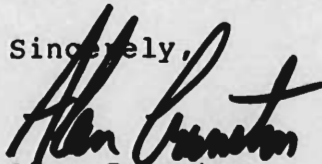
All of this information is taken from my FEC report filed May 20, 1980.

I want to stress that I do not know any of these individuals and have not had any reason to connect them with the Marcos regime. I have had no reason to question whether their contributions were from their own personal funds. Moreover, I do not know for a fact and am not alleging that these individuals have or had any connection with the Marcos regime or the Mabuhay Corp.

That's all I know about the story. In response to the specific language of your letter, I have not, to the best of my knowledge, violated any sections of the Federal Election Campaign Act of 1971, and I see no reason why any action should be taken against me in this matter.

I stand ready to cooperate with the FEC in its investigation.

Sincerely,


Alan Cranston

OFFICE OF U.S. SENATOR ALAN CRANSTON
1112 Hart Senate Office Building, Washington, D.C. 20510

Press Contact: Murray S. Flander
Office Phone: 202/224-5596;-3901
Home Phone: 703/573-0740;-4577

March 19, 1986
PAPERS1

FOR IMMEDIATE RELEASE

Senator Alan Cranston (D., Calif.) today issued the following statement at a hearing held by the House Subcommittee on Asian and Pacific Affairs: .

IT IS EXTREMELY IRONIC THAT AS ONE OF MARCOS' STRONGEST FOES MY NAME SHOWS UP ON SOME LIST IN MARCOS' PAPERS.

WE DO NOT KNOW THE SIGNIFICANCE OF THE LIST. PERHAPS IT WAS SOMEBODY'S FAKE EXPENSE ACCOUNT.

I DO KNOW THAT WE HAVE CHECKED OUR FEDERAL ELECTION REPORTS AND CAN FIND NO EVIDENCE THAT I EVER RECEIVED CAMPAIGN CONTRIBUTIONS FROM ANY OF THE INDIVIDUALS WHOM THE LIST IMPLICITLY SUGGESTS MAY HAVE BEEN CONDUITS FOR ILLEGAL CONTRIBUTIONS.

I DO KNOW THAT I HAVE BEEN A STEADFAST FOE OF THE MARCOS DICTATORSHIP.

I ATTACKED MARCOS FIRST IN A SENATE SPEECH ON APRIL 12, 1973. I WAS THE AUTHOR OF THE FIRST SENATE AMENDMENT TO CUT U.S. AID FUNDS TO THE MARCOS DICTATORSHIP.

IF MARCOS OR ANY OF HIS MINIONS DID MANAGE TO LAUNDER AND SNEAK MONEY INTO MY CAMPAIGN, THEY SURE PICKED THE WRONG GUY.

I HAVE NEVER HAD A GOOD WORD TO SAY ABOUT MARCOS.

OFFICE OF U.S. SENATOR ALAN CRANSTON
112 Hart Senate Office Building, Washington, D.C. 20510

Press Contact: Murray S. Flander
Office Phone: 202/224-5596
Home Phone: 703/573-4577

March 19, 1986
PAPER2

PRESS ADVISORY

Following is a statement by Senator Alan Cranston (D., Calif.):

I STATED THIS MORNING THAT WE HAD CHECKED OUR FEDERAL ELECTIONS REPORTS AND COULD FIND "NO EVIDENCE THAT I EVER RECEIVED CAMPAIGN CONTRIBUTIONS FROM ANY OF THE INDIVIDUALS WHOM THE LIST IMPLICITLY SUGGESTS MAY HAVE BEEN CONDUITS FOR ILLEGAL CONTRIBUTIONS".

THOSE INDIVIDUALS WERE FIVE ATTORNEYS WHOSE NAMES WERE LISTED ON A "STATEMENT OF EXPENSES" FOUND AMONG MARCOS' PAPERS.

LATER TODAY, A REPORTER BROUGHT TO OUR ATTENTION THE NAMES OF EIGHT PERSONS WHO, THE REPORTER SAID, ARE OFFICERS OR DIRECTORS OF MABUHAY CORP., THE COMPANY WHOSE NAME APPEARS AT THE HEAD OF THE "STATEMENT OF EXPENSES".

WE CHECKED THOSE EIGHT NAMES AGAINST OUR CAMPAIGN CONTRIBUTIONS RECORDS AND FOUND THAT TWO HAD CONTRIBUTED \$500 EACH TO MY 1980 SENATE PRIMARY CAMPAIGN. THERE IS NO RECORD OF ANY CONTRIBUTION FROM THE OTHER SIX INDIVIDUALS.

THOSE TWO PERSONS WERE LEONILLO L. MALABED AND ROMEO A. ESPERANZA.

I WANT TO STRESS THAT I DO NOT KNOW FOR A FACT AND I AM NOT STATING THAT THESE TWO PERSONS HAD ANY CONNECTION WITH MABUHAY CORP. OR THE MARCOS REGIME. CERTAINLY AT THE TIME THE CONTRIBUTIONS WERE MADE, WE WERE NOT AWARE OF ANY REASON TO CONNECT THEM WITH MARCOS.

I ALSO WANT TO STRESS THAT I DO NOT KNOW EITHER OF THESE TWO INDIVIDUALS.

United States Senate

WASHINGTON, DC 20510

OFFICIAL BUSINESS

Alan Cranston

U.S.S.

Federal Elections Commission

Washington, D.C. 20463

RECEIVED THE FEC
GCC# 224
86 APR 14 P 1:51
Leonilo L. Malabed, M.D. Jose Adan Sanchez, M.D.

Physicians - Surgeons
3085 Twenty-fourth Street, San Francisco, Calif. 94110
Phone: (415) 647-8111

April 9, 1986

Federal Election Commission
Washington D.C. 20463

Re: M U R 2156

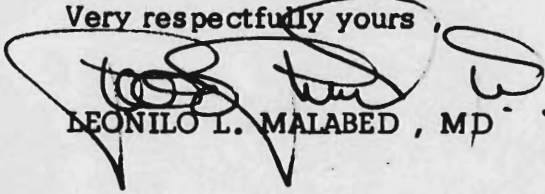
Kenneth A. Gross
Associate General Counsel

Sir :

I have submitted to the Registrar of Voters for the City and County of San Francisco , a " Major Donor " report , listing my personal contributions to politicians from 1979 to 1983 . I am not aware of any foreign (Philippines) sources of money contributed to politicians in this country through me or any corporation under my control or ownership . Any allegation or document that suggests this is not true . Therefore , no action should be taken against me .

If you take further action , you may contact my counsel , named in " Statement of Designation of Counsel " which I enclose .

Very respectfully yours ,


LEONILO L. MALABED , MD

Enclosures : Statement of Designation of Counsel .

"Major Donor " report copies .

Copy of letter to Mr. Jay Patterson , Register of Voters .

86 APR 15 A10:05

STATEMENT OF DESIGNATION OF COUNSEL

NR 2156

NAME OF COUNSEL: PATRICK SARSEFIELD HALLINAN

ADDRESS: HALLINAN OSTERHOUDT & POPLACK

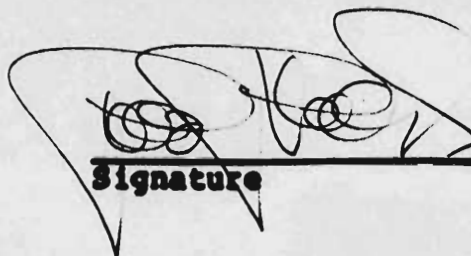
345 Franklin Street

San Francisco , California 94102

TELEPHONE: (415) 861-1151

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.

4/9/86
Date


Signature

RESPONDENT'S NAME: _____

ADDRESS: _____

Leonilo L. Malabed, M.D.

3085 — 24th Street

San Francisco, Calif. 94110

647-8111

HOME PHONE:

(415) 566-0933

BUSINESS PHONE: _____

86040500097

890098

3085 Twenty-fourth Street, San Francisco, Calif. 94110

April 4, 1986

Dear Sir :

This is to comply to your letter asking me to file a "Major Donor " report based on a news report of the Examiner .

Because of the many years elapsed , I needed more time to get my records already in storage . I diligently went over all my files and to the best of my recollection , I am now submitting them for filing .

In 1979 , my records show only \$ 275.00 in political contributions .

In 1980 , it totaled \$ 8,950.00 .

However , I co- signed a loan for Larry Asera , a Filipino - American running for the State Assembly , from the Bank of California on September 2, 1980 . The attached communication from BankCal shows that Mr. Asera did not pay the loan when it was due . A demand to me as co- signor was executed without recourse . I did not consider it as contribution .

In 1981 , my political contributions amounted to \$ 675.00 .

Very respectfully yours :

LEONILO L. MALABED, MD

LLM/cam



FORM 461
1986

INDEPENDENT EXPENDITURE AND MAJOR DONOR COMMITTEE CAMPAIGN STATEMENT

(Government Code Sections 84200-84217)

For use by: (1) persons who have made independent expenditures to support or oppose candidates, officeholders or ballot measures totaling \$500 or more in a calendar year; or (2) persons who have made expenditures or contributions totaling \$10,000 or more in a calendar year directly to or at the behest of candidates, officeholders or committees.

Type or Print in Ink

Statement covers period 1979 through 1980-81

A OFFICIAL USE ONLY

NAME OF FILER:

LEONILLO L. MALABED

PERMANENT ADDRESS: NO. AND STREET

CITY

STATE

ZIP CODE

AREA CODE BUSINESS PHONE NUMBER

145 MOUNTAIN SPRING AVE S.F. 94114 415-647-8111

NAME OF RESPONSIBLE OFFICER (IF FILER IS OTHER THAN AN INDIVIDUAL)

PERMANENT ADDRESS OF RESPONSIBLE OFFICER: NO. AND STREET

CITY

STATE

ZIP CODE

AREA CODE BUSINESS PHONE NUMBER

DATE OF ELECTION (MO., DAY, YR.): (IF APPLICABLE)

TOTAL PAGES

I EXPENDITURES AND CONTRIBUTIONS MADE TO: (Amounts may be rounded off to whole dollars)

DATE	IND EXP. *	NAME & ADDRESS OF PAYER (IF COMMITTEE, ALSO ENTER I.D. NO. OR TREASURER'S NAME AND ADDRESS)	DESCRIPTION OF EXPENDITURE OR CONTRIBUTION MADE	NAME OF CANDIDATE & OFFICE OR NAME OF BALLOT MEASURE & BALLOT NUMBER OR LETTER	Check one		AMOUNT	CUMULATIVE AMOUNT
					Support	Oppose		
11/29/79	✓	LEONILLO MALABED 3085-24th St. S.F.	check	Rose Feinstein for Mayor Comm.	✓		\$ 250.00	
3/29/79	✓	"	"	Nancy Walker for Supervisor	✓		25.00	\$ 275.00
2/20/80	✓	"	"	Bill Maher. for Ed of Education	✓		100.00	
7/3/80	✓	"	"	Democratic National Committee	✓		5,000.00	
3/6/80	✓	"	"	Mayor D. Feinstein Birthday Dinner	✓		1,250.00	
3/8/80	✓	"	"	ASIANS for Alan Cranston	✓		500.00	
4/11/80	✓	"	"	Larry Arera for Assembly	✓		1000.00	
5/9/80	✓	"	"	Assembly 1980	✓		200.00	
6/6/80	✓	"	"	Filipinos for Public Education	✓		100.00	
8/28/80	✓	"	"	Tony Urrutia School Board	✓		200.00	
10/10/80	✓	"	"	Tony Urrutia School Board	✓		100.00	
10/23/80	✓	"	"	Leo McCarthy	✓		500.00	8,950.00

Attach additional information on appropriately labeled continuation sheets.

SUBTOTAL (Carry with any additional subtotals to Line 1, Part IV) \$

*See instructions on reverse regarding "independent expenditures."

YOU MUST COMPLETE THE SUMMARY AND VERIFICATION ON PAGE 2

OFFICIAL USE
ONLY

C

D

E

F

For information required to be provided to you pursuant to the Information Practices Act of 1977, see "Information Manual on Campaign Disclosure Provisions of the Political Reform Act."



FORM 481
1986

INDEPENDENT EXPENDITURE AND MAJOR DONOR COMMITTEE CAMPAIGN STATEMENT

(Government Code Sections 84200-84217)

For use by: (1) persons who have made independent expenditures to support or oppose candidates, officeholders or ballot measures totaling \$500 or more in a calendar year; or (2) persons who have made expenditures or contributions totaling \$10,000 or more in a calendar year directly to or at the behest of candidates, officeholders or committees.

Type or Print in Ink

Statement covers period _____ through 1981

A OFFICIAL USE ONLY

NAME OF FILER:

LEONILLO L. MALABED

PERMANENT ADDRESS: NO. AND STREET

CITY

STATE

ZIP CODE

AREA CODE BUSINESS PHONE NUMBER

145 Mountain Spring Ave

SF 94114

415-647-8111

NAME OF RESPONSIBLE OFFICER IF FILER IS OTHER THAN AN INDIVIDUAL

PERMANENT ADDRESS OF RESPONSIBLE OFFICER: NO. AND STREET

CITY

STATE

ZIP CODE

AREA CODE BUSINESS PHONE NUMBER

DATE OF ELECTION (MO., DAY, YR.): IF APPLICABLE

TOTAL PAGES

EXPENDITURES AND CONTRIBUTIONS MADE TO: (Amounts may be rounded off to whole dollars)

DATE	IND EXP *	NAME & ADDRESS OF PAYEE (IF COMMITTEE, ALSO ENTER I.D. NO. OR TREASURER'S NAME AND ADDRESS)	DESCRIPTION OF EXPENDITURE OR CONTRIBUTION MADE	NAME OF CANDIDATE & OFFICE OR NAME OF BALLOT MEASURE & BALLOT NUMBER OR LETTER	Check one		AMOUNT	CUMU- LATIVE AMOUNT
					Sup- port	Op- pose		
2-24-81	-	Ben Tone Victory Celebration LEONILLO MALABED	Check	Ben Tone Supervisor	-		25.00	
8-10-81	-	"	Check-	Leo McCarthy for Vice Gov.	-		650.00	675.00
12-29-81	-	CALIFORNIA FOR MC CARTHY	CHECK	Leo McCarthy			75-	750.00

Attach additional information on appropriately labeled continuation sheets.

SUBTOTAL (Carry with any additional subtotals to Line 1, Part IV) \$

*See instructions on reverse regarding "independent expenditures."

YOU MUST COMPLETE THE SUMMARY AND VERIFICATION ON PAGE 2

OFFICIAL USE ONLY	C	D	E	F	
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For information required to be provided to you pursuant to the Information Practices Act of 1977, see "Information Manual on Campaign Disclosure Provisions of the Political Reform Act."

**INDEPENDENT EXPENDITURE AND MAJOR DONOR
COMMITTEE CAMPAIGN STATEMENT
FORM 481**

STATEMENT COVERS PERIOD
FROM 1980 THROUGH

NAME OF FILER:

LEONILLO L. MALABED - Co-Signer of loan Defunct

II LOANS MADE TO: (Amounts may be rounded off to whole dollars)

DATE	FULL NAME & ADDRESS OF RECIPIENT (If committee, also enter I.D. Number or Treasurer's name and address)	NAME OF CANDIDATE AND OFFICE OR NAME OF BALLOT MEASURE AND BALLOT NUMBER OR LETTER AND JURISDICTION	Check one		INT RATE	AMOUNT OF LOAN	CUMULATIVE AMOUNT
			Support	Oppose			
9/2/80	Harry Asera - Assembly Vallejo, Calif.	Harry Asera for Assembly - Sonoma County	-		12.5	\$30,000.00	

Attach additional information on appropriately labeled continuation sheets.

SUBTOTAL (Carry with additional subtotals to Line 3, Part IV) \$

III LOAN PAYMENTS RECEIVED AND LOANS FORGIVEN: (Amounts may be rounded off to whole dollars)

FULL NAME AND ADDRESS OF DONOR AND PERSON WHO REPAID THE LOAN IF DIFFERENT (If the loan was made to a committee, list the committee's name and address and I.D. Number. If the committee I.D. Number is unknown list the treasurer's full name and street address.)	AMOUNT FORGIVEN	AMOUNT REPAID THIS PERIOD	UNPAID BALANCE
Harry Asera - Address NOT known	0	0	30,000.00

Attach additional information on appropriately labeled continuation sheets.

TOTAL \$

(DO NOT CARRY TO SUMMARY SECTION)

IV SUMMARY

- Expenditures and contributions made of \$100 or more this period (Part I) \$
- Expenditures and contributions under \$100 made this period (Not itemized)
- Loans made this period (Part II). Include all subtotals
- TOTAL (Line 1 + 2 + 3)
- Total of expenditures and contributions made from prior statements. (If this is the first report for the calendar year, enter zero.)
- Cumulative expenditures and contributions made to date (since January 1 of the current year) (Line 4 + 5)

VERIFICATION

I have used all reasonable diligence in preparing this Statement. I have reviewed the Statement and to the best of my knowledge the information contained herein is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 4-7-86 at S.F. Calif.

by

SIGNATURE OF INDIVIDUAL DONOR OR RESPONSIBLE OFFICER (IF OTHER THAN AN INDIVIDUAL)

BANKCAL

THE BANK OF CALIFORNIA

December 30, 1980

Dr. Leonilo L. Malabed
145 Mountain Spring Avenue
San Francisco, CA 94114

Re: Commercial
Loan #969137

Dear Dr. Malabed:

For your records, and to confirm our conversation of December 26, 1980, we wish to inform you that Larry Asera has not paid off his \$30,000 note which you co-signed with him on September 2, 1980. We therefore must make demand upon you for the balance outstanding as of December 31, 1980, which is \$31,239.08, including interest.

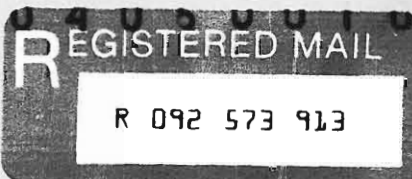
Many thanks for your cooperation in this matter, we will look forward to hearing from you at your earliest convenience.

Sincerely,

David E. Crosby
David E. Crosby, AVP
and Assistant Manager

DEC:rb

ilo E. Malabed, M.D.
- 24th Street
Francisco, Calif. 94110
8111



**RETURN RECEIPT
REQUESTED**



**FEDERAL ELECTION COMMISSION
1325 K STREET, NW
WASHINGTON, DC 20463**

ATTN: MR. KENNETH A. GROSS

CC# 2314

06 APR 16 A 8:02



EMBASSY OF THE PHILIPPINES

35 APR 16 A10: 04

Kenneth A. Gross, Esq.
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2156

Dear Mr. Gross:

With reference to your letter to the Embassy dated 3 April 1986, we wish to invite your kind attention to the letter of 8 April 1986 (copy enclosed) which was sent to you by Mr. Patrick M. Norton, Assistant Legal Adviser for East Asian and Pacific Affairs, Office of the Legal Adviser, U.S. Department of State.

Sincerely yours,

Leonides T. Caday
LEONIDES T. CADAY
Minister

Enclosure: AS stated.



United States Department of State

Washington, D.C. 20520

April 8, 1986

Kenneth A. Gross, Esq.
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2156

Dear Mr. Gross:

The Embassy of the Republic of the Philippines has forwarded me a copy of your letter of April 3, 1986 to the Embassy in this matter.

You should be aware that under the Vienna Convention on Diplomatic Relations, 23 UST 3227, TIAS 7502, 500 UNTS 95, diplomatic missions are inviolable and may not be subjected to compulsory legal process. The members of a diplomatic mission are also immune from the host state's criminal, civil, and administrative jurisdiction with limited exceptions that are not applicable here.

I would also call your attention to the Embassy's concern that your letter states that the complaint in MUR 2156 "alleges that the Embassy of the Philippines may have violated certain sections of the Federal Election Act of 1971, as amended." So far as the Embassy can ascertain, neither the complaint nor the news reports on which it is based mentions the Embassy. The complaint mentions only the "Philippine Government," a "foreign national," or "a domestic or foreign corporation."

If the Commission wishes the assistance of the Philippine Government in investigating the complaint in MUR 1256, the normal channel would be a request to the Department of State, which we would forward to the Embassy. If you wish to make such a request, please notify me, and I shall promptly ask the Embassy for the assistance of its government.

Sincerely,

Patrick M. Norton

Patrick M. Norton
Assistant Legal Adviser for
East Asian and Pacific Affairs
Office of the Legal Adviser

Cleared: L/SFP: BRashkow *pu*
EAP/PHL: JMaisto *h*

WANG #240F

86040600100

EMBASSY OF THE PHILIPPINES
WASHINGTON, D. C. 20036

KENNETH A. GROSS, ESQ.
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

63
13



RECEIVED THE FEC
Q OCH 201
06 APR 10 11:41
United States Department of State
Washington, D.C. 20520

April 8, 1986

Kenneth A. Gross, Esq.
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2156

Dear Mr. Gross:

The Embassy of the Republic of the Philippines has forwarded me a copy of your letter of April 3, 1986 to the Embassy in this matter.

You should be aware that under the Vienna Convention on Diplomatic Relations, 23 UST 3227, TIAS 7502, 500 UNTS 95, diplomatic missions are inviolable and may not be subjected to compulsory legal process. The members of a diplomatic mission are also immune from the host state's criminal, civil, and administrative jurisdiction with limited exceptions that are not applicable here.

I would also call your attention to the Embassy's concern that your letter states that the complaint in MUR 2156 "alleges that the Embassy of the Philippines may have violated certain sections of the Federal Election Act of 1971, as amended." So far as the Embassy can ascertain, neither the complaint nor the news reports on which it is based mentions the Embassy. The complaint mentions only the "Philippine Government," a "foreign national," or "a domestic or foreign corporation."

If the Commission wishes the assistance of the Philippine Government in investigating the complaint in MUR 1256, the normal channel would be a request to the Department of State, which we would forward to the Embassy. If you wish to make such a request, please notify me, and I shall promptly ask the Embassy for the assistance of its government.

Sincerely,

Patrick M. Norton

Patrick M. Norton
Assistant Legal Adviser for
East Asian and Pacific Affairs
Office of the Legal Adviser

RECEIVED
GENERAL COUNSEL
06 APR 11 09:48

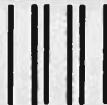
801000004098

Norton - L/EAP - Rm. 6429
DEPARTMENT OF STATE. U.S.A.
WASHINGTON, D C 20520

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE \$300

AN EQUAL OPPORTUNITY EMPLOYER

Mr. Kenneth A. Gross, Esq.
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463



POSTAGE AND FEES PAID
DEPARTMENT OF STATE
STA-501



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 10, 1986

Mary Jane Freeman
P.O. Box 17557
Washington, D.C. 20041

Dear Ms. Freeman:

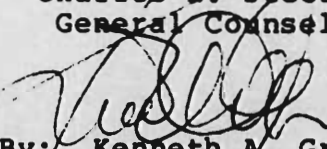
86040500110

This letter will acknowledge receipt of a complaint filed by you which we received on March 28, 1986, which alleges a possible violation of the Federal Election Campaign Act of 1971, as amended, (the "Act"), by the Carter/Mondale Committee, Reagan-Bush, DNC Services Corp./ Democratic National Committee and Senator Alan Cranston. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as your original complaint. For your information, we have attached a brief description of the Commission's procedures for handling complaints. We have numbered this matter under review MUR 2156. Please refer to this number in all future correspondence. If you have any questions, please contact Lorraine F. Ramos at (202) 376-3110.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosure



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 3, 1986

Mary Jane Freeman
P.O. Box 17557
Washington, D.C. 20041

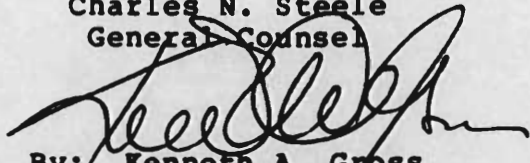
Dear Ms. Freeman:

This letter will acknowledge receipt of a complaint filed by you which we received on March 28, 1986, which alleges a possible violation of the Federal Election Campaign Act of 1971, as amended, (the "Act"), by the Carter/Mondale Presidential Committee. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as your original complaint. For your information, we have attached a brief description of the Commission's procedures for handling complaints. We have numbered this matter under review MUR 2156. Please refer to this number in all future correspondence. If you have any questions, please contact Lorraine F. Ramos at (202) 376-3110.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosure

111006040608



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 3, 1986

**The Honorable Ferdinand Marcos
Honolulu, Hawaii 96853**

Re: MUR 2156

Dear Sir:

This letter is to notify you that the Federal Election Commission received a complaint which alleges that you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2156. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain 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 matter to be made public.

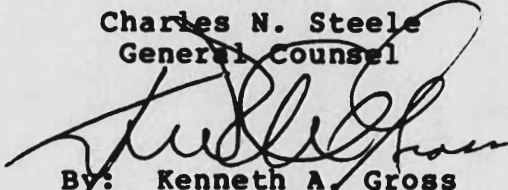
R 6 0 4 0 5 0 0 1 1 2

-2-

If you have any questions, please contact Eric Kleinfeld, the staff member assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel

96040600113



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 3, 1986

Embassy of the Philippines
1617 Massachusetts Ave., N.W.
Washington, D.C. 20036

Re: MUR 2156

Dear Sir:

This letter is to notify you that the Federal Election Commission received a complaint which alleges that the Embassy of the Philippines may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2156. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Embassy in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain 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 matter to be made public.

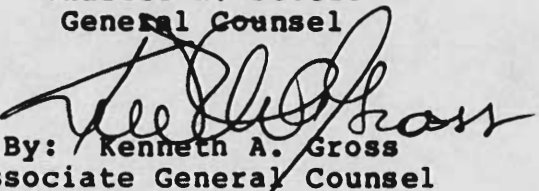
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-2-

If you have any questions, please contact Eric Kleinfeld, the staff member assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel

86040300115



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 3, 1986

The Honorable Alan Cranston
112 Hart Senate Office Building
Washington, D.C. 20510

Re: MUR 2156

Dear Senator Cranston:

This letter is to notify you that the Federal Election Commission received a complaint which alleges that you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2156. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

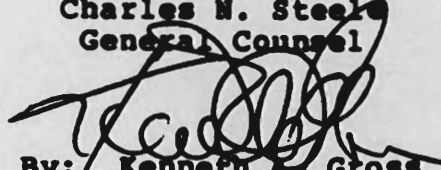
This matter will remain confidential in accordance with 2 U.S.C. §437g(a) (4) (B) and §437g(a) (12) (A) unless you notify the Commission in writing that you wish the matter to be made public.

-2-

If you have any questions, please contact Eric Kleinfeld, the staff member assigned to this matter at (202) 376-5698. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Charles M. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel

cc: Cranston for Senate Committee 1986
Marvin S. Shapiro, Treasurer

86040600117



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 3, 1986

Dr. Leonilo Malabed
Mahubay Corporation
3085 24th Street
San Francisco, CA 94110

Re: MUR 2156

Dear Dr. Malabed:

This letter is to notify you that the Federal Election Commission received a complaint which alleges that you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2156. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain 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 matter to be made public.

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.

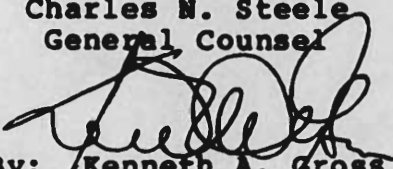
86040600118

-2-

If you have any questions, please contact Eric Kleinfeld, the staff member assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Cross
Associate General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel

86040600119



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 3, 1986

Angela M. Buchanan Jackson, Treasurer
Reagan-Bush
1019 19th Street, N.W.
Suite 1000
Washington, D.C. 20036

Re: MUR 2156

Dear Ms. Buchanan Jackson:

This letter is to notify you that the Federal Election Commission received a complaint which alleges that the Reagan-Bush '84 committee and you, as treasurer, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2156. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the committee and you in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

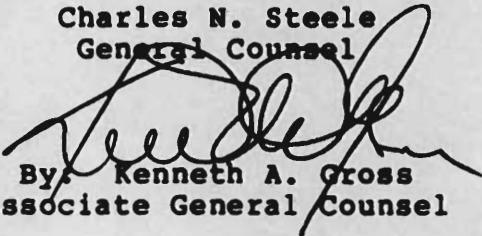
This matter will remain confidential in accordance with 2 U.S.C. §437g(a) (4) (B) and §437g(a) (12) (A) unless you notify the Commission in writing that you wish the matter to be made public.

-2-

If you have any questions, please contact Eric Kleinfeld, the staff member assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel

86040600121



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 3, 1986

S. Lee Kling, Treasurer
Carter/Mondale Presidential Committee
1029 Vermont Avenue, N.W.
Suite 900
Washington, D.C. 20005

Re: MUR 2156

Dear Mr. Kling:

This letter is to notify you that the Federal Election Commission received a complaint which alleges that the Carter/Mondale Presidential Committee and you, as treasurer, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2156. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the committee and you in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain 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 matter to be made public.

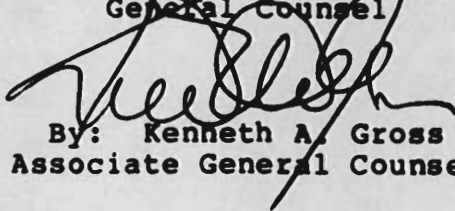
86040600122

-2-

If you have any questions, please contact Eric Kleinfeld, the staff member assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Charles N. Steele
General Counsel



By: Kenneth A. Gross
Associate General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel

86040500123



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 3, 1986

Sharon Pratt Dixon, Treasurer
DNC Services Corp./Democratic
National Committee
430 South Capitol Street, S.E.
Washington, D.C. 20003

Re: MUR 2156

Dear Ms. Dixon:

This letter is to notify you that the Federal Election Commission received a complaint which alleges that the DNC Services Corp./Democratic National Committee and you, as treasurer, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2156. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the committee and you in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain 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 matter to be made public.

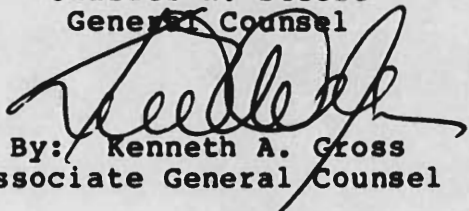
86040500124

-2-

If you have any questions, please contact Eric Kleinfeld, the staff member assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel

86040500125

Mary Jane Freeman
P.O. Box -17557
Washington, D.C. 20041

-FEC
600489
MAR 28 09:00

MUR 2156

Federal Election Commission
999 E Street N.W.
Washington, D.C.

06 MAR 28 All: 23

March 24, 1986

SENSITIVE

Re: Complaint vs.

1980 Presidential Campaign of Ronald Reagan

1980 Presidential Campaign of Carter/Mondale

U.S. Senator Alan Cranston

and

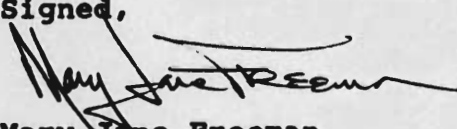
Democratic National Committee

To Whom It May Concern:

I request an investigation into the substance of press reports that the 1980 Presidential Campaign of Ronald Reagan, the 1980 Presidential Campaign of Carter/Mondale, U.S. Senator Alan Cranston, and the Democratic National Committee received illegal campaign contributions.

It appears from reports in the Washington Post dated March 19 and 23, 1986 that the above named committees and persons accepted and/or received contributions either from 1) the Philippine government, or 2) a foreign national, or 3) a domestic or foreign corporation, or all of the above, most probably via contributions in the name of another. There also exists the possibility that contributions were accepted in excess of the federally imposed limits from these sources. The Washington Post reports are allegedly based upon a document released by the House Foreign Affairs subcommittee on Asian and Pacific Affairs. (See attached articles.)

Signed,


Mary Jane Freeman

Sworn to before me this

25th day of MARCH, 1986.

Marilyn Kay
NOTARY PUBLIC
COMMISSIONED AS MARILYN JAMES
MY COMMISSION EXPIRES JUNE 21, 1988

Washington Post

Sections

A News/Editorials
B Style/Television/Movies
C Sports/Classified
D Metro/Obituaries
E Food
F Business, Comics
G Inside: Health
Detailed index on Page A2

WEDNESDAY, MARCH 19, 1986

Prices May Vary in Areas Outside
Metropolitan Washington (See Box on A4)

25c

Marcos Documents Show Gifts to U.S. Campaigns

By Dale Russakoff
and Keith B. Richburg
Washington Post Staff Writers

Documents brought to the United States by deposed president Ferdinand Marcos indicate that \$50,000 was contributed to the 1980 election campaigns of both Ronald Reagan and then-President Jimmy Carter, apparently supervised by Manila intelligence officers, according to congressional sources, who saw the documents last night.

Rep. Robert G. Torricelli (D-N.J.) said the records also indicate that campaign contributions were made to U.S. senators, whom he declined to name.

The documents, which were released by the U.S. government yesterday to congressional and Philippine investigators, also show that the bulk of Marcos' money is held in Swiss bank accounts, according to Jovita Salonga, chairman of the Philippine government commission formed to investigate Marcos' "ill-gotten" wealth.

The records document a pattern of commissions and kickbacks paid by American, Japanese and other corporations to close associates of Marcos, according to several investigators who have seen them. The sources, including the chief Philippine government investigator, said the records indicate that Japanese firms took the lead in paying kickbacks.

Torricelli's assertion that a record of campaign contributions from Manila was among the 2,000 pages in documents was confirmed by a

second congressional source who reviewed the material but asked not to be quoted by name.

Federal campaign contributions by foreigners—including foreign corporations—are illegal under American election law. Also, individuals in this country are prohibited from donating more than \$1,000 to an American presidential campaign.

Torricelli said last night that the money may have been funneled into the Carter and Reagan campaigns by dividing it among 50 donors.

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See MONEY, A23, Col. 5



BY LARRY MORRIS—THE WASHINGTON POST
his associate Fabian Ver leaving Alexandria house after appearance before grand jury on allegations of kickbacks: Story, Page A23.

Marcos Papers Show Campaign Gifts to Reagan and Carter

MONEY, From A1

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The discovery of the campaign contributions among the Marcos documents comes a week after a group of dissident Filipino bankers in Manila made undocumented allegations to the new government there that Marcos was engaged in a systematic campaign to buy influence in American politics through campaign contributions and contracts to politically well-connected businesses. Those allegations, however, involved millions of dollars, while the documents revealed last night suggest the actual amounts may be far smaller.

The documents, which mostly cover the years 1980-1984, include bank accounts, receipts, accounting notes, stocks, bearer bonds and handwritten notes from Marcos discussing specific transactions with his associates, according to the congressional and Philippine investigators.

Taken together, they outline a vast financial and real estate empire, a labyrinth of holdings and assets stretching from Manila to Manhattan and possibly involving some of the largest American and Japanese corporations.

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Asked if Westinghouse was listed as one of the companies that paid kickbacks, Salonga replied: "I think that's a fair assumption." The Pittsburgh-based Westinghouse has declined to comment on such allegations except to say that similar accusations had been investigated in the 1970s without any charges being filed.

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Marcos Associate Gave Thousands To California Candidate, Records Show

By Thomas B. Edsall
and Paul Taylor
Washington Post Staff Writers
The director of a California company named in a disputed document as a conduit for illegal contributions to U.S. politicians from the Marcos regime gave \$32,137 in 1980 to an unsuccessful candidate for California state assembly, Larry Asera, according to California campaign records drawn from the state's archives. A Fairfield, Calif., businessman and onetime Solano County commissioner who sought to become the first Filipino-American in the assembly, denied receiving "any money that I know of" from former Philippine President Ferdinand Marcos.

He issued the denial from Manila in an interview aired yesterday on Sacramento television station KQVR. Asera said he was in Manila with a delegation of the California state assembly which is trying to help the Aquino government recover Marcos-owned property in California.

Asera's name, along with those of President Carter, then-candidate Ronald Reagan, and other elected officials appears on a document released by a House subcommittee yesterday.

The document—a plain sheet of paper—is one of 2,300 taken from the deposed president. It names the Mahubay Corp. of California as the front for \$175,200 in campaign contributions from the Marcos government. It also lists nearly \$50,000 in legal and other fees associated with the Mahubay Corp., and lists a payment of \$762,247.52 for unspecified intelligence purposes.

Those listed in the document as intended recipients of the illegal campaign contributions are Carter, \$31,500; Reagan, \$50,000; Asera, \$50,000; Sen. Alan Cranston (D-Calif.), \$10,000; former speaker of the California Assembly Leo McCarthy, \$10,000; San Francisco Mayor Diane Feinstein, \$2,500. In addition, three candidates for local office in California are named as recipients of smaller sums.

All the alleged recipients have denied knowingly receiving any

money from a front group for the Marcos regime, and checks of Federal Election Commission in Washington and California election records do not confirm any of the contributions listed.

The California records do indicate, however, that Dr. Leonilo Malabed, a San Francisco physician who was a boyhood friend of Marcos and was the director of Mahubay Corp., gave \$38,937 to Asera and \$10,000 to McCarthy. FEC records indicate he and members of his family gave \$2,150 to the Carter-Mondale campaign, \$4,125 to the Democratic National Committee and \$500 to Cranston.

Malabed said the contributions were personal ones from himself, and denied fronting for the Marcos regime.

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His nonalignment raised the question why the Marcos regime would want to place money in such hands, and in the eyes of some Filipinos in California, cast doubt that the Malabed contribution was anything more than the act of a friend.

The bulk of the contribution—\$30,000—was made by Malabed to Asera after Asera had lost the campaign and needed to pay a loan. Malabed said he had cosigned the loan.

In addition to the list of alleged political funding, the document describes payments made in connection with an unsuccessful attempt by the Mahubay Corp. to buy a radio station near San Francisco, KJAZ, for \$1.7 million.

The largest amount, \$16,650, went to Daniel E. Reidy, a San Francisco lawyer who yesterday confirmed that he was hired by Malabed in 1978 to form the corporation, and that he ceased representing the corporation in late 1979, when the KJAZ deal fell through.

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No evidence has been found to support the document's assertion that \$50,000 contributions were made to both the Carter and Reagan 1980 campaigns. Such contributions would have been illegal.

Not only are corporations prohibited from making federal donations, but federal law prohibits foreign citizens from giving to campaigns, unless they are residing in the United States and have been admitted into the country for the purpose of maintaining permanent residence.

Any person or corporation acting as a conduit for the transfer of money from foreign interests into political campaigns would also be violating prohibitions against "making a contribution in the name of another person."

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Staff writer Jay Mathews in Sacramento and special correspondent Katharine Macdonald in Los Angeles contributed to this report.

Mary Jane Freeman
P.O. Box -17557
Washington, D.C. 20041

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Federal Election Commission
999 E Street N.W.
Washington, D.C.

March 24, 1986

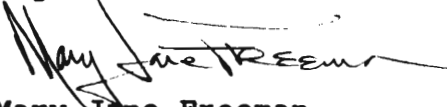
Re: Complaint vs.
1980 Presidential Campaign of Ronald Reagan
1980 Presidential Campaign of Carter/Mondale
U.S. Senator Alan Cranston
and Democratic National Committee

To Whom It May Concern:

I request an investigation into the substance of press reports that the 1980 Presidential Campaign of Ronald Reagan, the 1980 Presidential Campaign of Carter/Mondale, U.S. Senator Alan Cranston, and the Democratic National Committee received illegal campaign contributions.

It appears from reports in the Washington Post dated March 19 and 23, 1986 that the above named committees and persons accepted and/or received contributions either from 1) the Philippine government, or 2) a foreign national, or 3) a domestic or foreign corporation, or all of the above, most probably via contributions in the name of another. There also exists the possibility that contributions were accepted in excess of the federally imposed limits from these sources. The Washington Post reports are allegedly based upon a document released by the House Foreign Affairs subcommittee on Asian and Pacific Affairs. (See attached articles.)

Signed,


Mary Jane Freeman

Sworn to before me this

25th day of MARCH, 1986.

Marilyn Key
NOTARY PUBLIC
COMMISSIONED AS MARILYN JAMES
MY COMMISSION EXPIRES JUNE 21, 1988

Washington Post

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A News/Editorials
B Style/Television/Movies
C Sports/Classified
D Metro/Obituaries
E Food
F Business, Comics
G Inside: Health
Detailed index on Page A2

WEDNESDAY, MARCH 19, 1986

Prices May Vary in Areas Outside
Metropolitan Washington (See Box on A4)

25¢

Marcos Documents Show Gifts to U.S. Campaigns

By Dale Russakoff
and Keith B. Richburg
Washington Post Staff Writers

Documents brought to the United States by deposed president Ferdinand Marcos indicate that \$50,000 was contributed to the 1980 election campaigns of both Ronald Reagan and then-President Jimmy Carter, apparently supervised by Manila intelligence officers, according to congressional sources, who saw the documents last night.

Rep. Robert G. Torricelli (D-N.J.) said the records also indicate that campaign contributions were made to U.S. senators, whom he declined to name.

The documents, which were released by the U.S. government yesterday to congressional and Philippine investigators, also show that the bulk of Marcos' money is held in Swiss bank accounts, according to Jovita Salonga, chairman of the Philippine government commission formed to investigate Marcos' "ill-gotten" wealth.

The records document a pattern of commissions and kickbacks paid by American, Japanese and other corporations to close associates of Marcos, according to several investigators who have seen them. The sources, including the chief Philippine government investigator, said the records indicate that Japanese firms took the lead in paying kickbacks.

Torricelli's assertion that a record of campaign contributions from Manila was among the 2,000 pages in documents was confirmed by a

second congressional source who reviewed the material but asked not to be quoted by name.

Federal campaign contributions by foreigners—including foreign corporations—are illegal under American election law. Also, individuals in this country are prohibited from donating more than \$1,000 to an American presidential campaign.

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WHP 3/21/86

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