



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2438

DATE FILMED 4/23/88 CAMERA NO. 4

CAMERAMAN 6PC

88040700340



FEDERAL ELECTION COMMISSION

WASHINGTON DC 20463

February 10, 1987

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

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

SUBJECT: NON-FILER REFERRALS OF MONTHLY UNAUTHORIZED COMMITTEES

Attached is a listing of thirty-four (34) monthly filers which failed to file a report covering the pre-election period by Election Day, November 4, 1986. In accordance with Standard 3 of the 1985-1986 RAD Review and Referral Procedures, further examination is required by your office.

On September 29, 1986, prior notification was sent to all unauthorized committees which specifically informed monthly filers of the requirement to file a 12 Day Pre-General Report by October 23, 1986 (Attachment 35). Each committee which failed to submit either a 12 Day Pre-General Report or a November Monthly Report was sent a Non-Filer Notice on November 14, 1986 (Attachment 36). The following six (6) committees were not sent Non-Filer Notices because a report covering the pre-election period was indexed by November 14, 1986:

33040700341

2

The attached printout lists the name, address and treasurer for each committee being referred. Any telephone conversations are referenced under Contacts with Filers. The Summary Pages of the late-filed reports and/or letters of explanation are included under Reports Filed/Response(s).

In addition, a "C" index has been included for each committee. Please note that the aggregate receipt and disbursement figures may be inflated in some cases because a) reports were submitted covering portions of the same period (e.g., a 12 Day Pre-General Report covering October 1, 1986 through October 15, 1986 and a November Monthly Report covering October 1, 1986 through October 31, 1986), or b) 1987 February Monthly Reports have been filed.

If you have any questions, please contact Lisa Stolaruk at 376-2480.

Attachments

88040700342

HARDEE'S FOOD SYSTEMS INC. GOOD GOVERNMENT FUND

(Attachments 20a - 20e)

33040700343

NON-PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
HARDEE'S FOOD SYSTEMS INC GOOD GOVERNMENT FUND CONNECTED ORGANIZATION: HARDEE'S FOOD SYSTEMS INC				NON-PARTY QUALIFIED		ID #C00083840
1985	FEBRUARY MONTHLY	3,124	1,144	1JAN85 -31JAN85	5	85FEC/365/2499
	FEBRUARY MONTHLY - AMENDMENT	-	-	1JAN85 -31JAN85	2	85FEC/367/3610
	MARCH MONTHLY	2,913	500	1FEB85 -28FEB85	5	85FEC/367/3605
	APRIL MONTHLY	2,929	520	1MAR85 -31MAR85	5	85FEC/369/2900
	MAY MONTHLY	3,327	44	1APR85 -30APR85	4	85FEC/372/4447
	JUNE MONTHLY	2,861	1,000	1MAY85 -31MAY85	5	85FEC/375/2720
	JULY MONTHLY	2,819	0	1JUN85 -30JUN85	5	85FEC/377/3140
	AUGUST MONTHLY	3,270	0	1JUL85 -31JUL85	5	85FEC/385/0276
	SEPTEMBER MONTHLY	2,881	500	1AUG85 -31AUG85	7	85FEC/387/2651
	OCTOBER MONTHLY	2,862	0	1SEP85 -30SEP85	6	85FEC/389/1517
	NOVEMBER MONTHLY	2,939	0	1OCT85 -31OCT85	8	85FEC/390/4196
	DECEMBER MONTHLY	2,802	0	1NOV85 -30NOV85	8	85FEC/392/1796
	YEAR-END	2,897	0	1DEC85 -31DEC85	9	86FEC/394/1798
1986	FEBRUARY MONTHLY	2,810	0	1JAN86 -31JAN86	4	86FEC/402/1269
	FEBRUARY MONTHLY - AMENDMENT	-	-	1JAN86 -31JAN86	3	86FEC/405/0329
	REQUEST FOR ADDITIONAL INFORMATION	-	-	1JAN86 -31JAN86	1	86FEC/403/4362
	MARCH MONTHLY	2,799	0	1FEB86 -28FEB86	4	86FEC/404/3296
	MARCH MONTHLY - AMENDMENT	-	-	1FEB86 -28FEB86	2	86FEC/405/0332
	REQUEST FOR ADDITIONAL INFORMATION	-	-	1FEB86 -28FEB86	1	86FEC/405/3454
	APRIL MONTHLY	2,535	811	1MAR86 -31MAR86	5	86FEC/407/0490
	MAY MONTHLY	3,077	2,000	1APR86 -30APR86	5	86FEC/413/3370
	JUNE MONTHLY	2,415	-	1MAY86 -30MAY86	4	86FEC/416/3546
	JULY MONTHLY	3,362	0	1JUN86 -30JUN86	5	86FEC/419/4311
	AUGUST MONTHLY	2,416	0	1JUL86 -31JUL86	5	86FEC/426/2172
	SEPTEMBER MONTHLY	2,260	0	1AUG86 -31AUG86	6	86FEC/430/0244
	SEPTEMBER MONTHLY - AMENDMENT	-	-	1AUG86 -31AUG86	5	86FEC/436/0110
	REQUEST FOR ADDITIONAL INFORMATION	-	-	1AUG86 -31AUG86	1	86FEC/430/4506
	REQUEST FOR ADDITIONAL INFORMATION 2ND	-	-	1AUG86 -31AUG86	2	86FEC/433/4867
	REQUEST FOR ADDITIONAL INFORMATION	-	-	1JUL86 -30SEP86	1	86FEC/441/3680
	OCTOBER MONTHLY	2,281	1,000	1SEP86 -30SEP86	6	86FEC/433/2970
	OCTOBER MONTHLY - AMENDMENT	-	-	1SEP86 -30SEP86	3	86FEC/444/0083
	NOTICE OF FAILURE TO FILE	-	-	1OCT86 -15OCT86	1	86FEC/444/1478
	NOVEMBER MONTHLY	2,197	62,000	1OCT86 -31OCT86	14	86FEC/444/5165
	DECEMBER MONTHLY	2,504	0	1NOV86 -30NOV86	8	86FEC/449/4298
	DECEMBER MONTHLY - AMENDMENT	-	-	1NOV86 -30NOV86	3	87FEC/452/4332
	1ST LETTER INFORMATIONAL NOTICE	-	-	1NOV86 -30NOV86	1	86FEC/451/3993
	YEAR-END	3,934	0	1DEC86 -31DEC86	8	87FEC/453/2145
	TOTAL	68,214	0	69,519	0	172 TOTAL PAGES

Ending cash-on-hand as of 12/31/86: \$9,711
Debts: \$0
All reports have been reviewed.

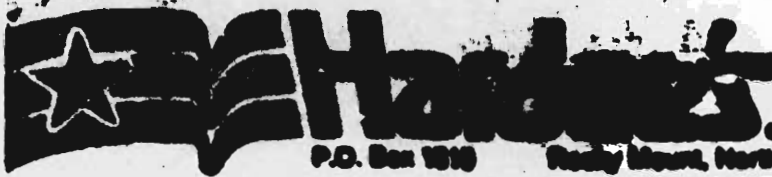
TELECON

ANALYST: Chris Nuland
CONVERSATION WITH: Sheila Wilson, Committee Representative
COMMITTEE: Hardee's Good Government Fund
DATE: 11/19/86
SUBJECT(S): Late Filing of the 12 Day Pre-General Report

Ms. Wilson stated that she had not known what a 12 Day Pre-General Report was and was thus unable to file it. Instead, she filed a November Monthly Report under the assumption that the continuation of month-to-month reporting would be sufficient. She then asked if a 12 Day Pre-General Report would be needed, as the November Monthly Report had included all activity that had occurred during the month of October.

I replied that there was no need to file a new report, as the November Monthly Report would suffice. I advised her, however, that the 12 Day Pre-General Report would be considered a late filing. Ms. Wilson then asked if there would be a penalty regarding this late filing, and I responded by stating that I was not at liberty to discuss potential enforcement, but that I would make note that the problem was due to a misunderstanding on the part of the committee.

23040700345



P.O. Box 1816

Rocky Mount, North Carolina 27801

GOOD GOVERNMENT FUND

Telephone (919) 877-8000

RECEIVED AT THE FEC

NOV 1 1986

ATTACHMENT 20c

CERTIFIED MAIL # 033 672 306
RETURN RECEIPT REQUESTED

October 31, 1986

Federal Election Commission
1325 K Street, North West
Washington, DC 20463

Dear Sir:

Please find enclosed Form 3-X Related Schedules for Haddon's Good Government Fund for the month of October, 1986.

Sincerely,

HADDON'S GOOD GOVERNMENT FUND

Richard D. Richardson
Richard D. Richardson
Assistant Treasurer

RDR/lrb

cc: John Merritt

Enclosures

P.S. We were unaware of the 12 Day Pre-General Report requirement during October. However, we had intentions of reporting in a timely manner.

23040700346

5167

3

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

ATTACHMENT 20d

RECEIVED AT THE FEC

(Summary Page)

1. Name of Committee (in Full)

Hardee's Good Government Fund

Address (Number and Street)

**1233 North Church Street
P. O. Box 1619**

City, State and ZIP Code

Rocky Mount, NC 27801

☐ Check here if address is different than previously reported.

2. FEC Identification Number

3. ☐ This committee qualified as a multicandidate committee during this reporting period on _____

4. TYPE OF REPORT (Check appropriate box)

(a) ☐ April 15 Quarterly Report ☐ October 15 Quarterly Report

☐ July 15 Quarterly Report ☐ January 31 Year End Report

☐ July 31 Mid Year Report (Non-Election Year Only)

☒ Monthly Report for **October**

☐ Twelfth day report preceding _____
election on _____ in the State of _____

☐ Thirtieth day report following the General Election
on _____ in the State of _____

☐ Termination Report

(b) Is this Report an Amendment?

☐ YES ☐ NO

SUMMARY

5. Covering Period **10-01-86** through **10-31-86**

6 (a) Cash on hand January 1, 19 **86**

(b) Cash on Hand at Beginning of Reporting Period

(c) Total Receipts (from Line 10)

(d) Subtotal (add Lines 6(b) and 6(c) for Column A and
Lines 6(a) and 6(c) for Column B)

7 Total Disbursements (from Line 20)

8 Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))

9 Debts and Obligations Owed TO The Committee
(Itemize all on Schedule C or Schedule D)

10 Debts and Obligations Owed BY the Committee
(Itemize all on Schedule C or Schedule D)

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

Richard D. Richardson, Assistant Treasurer

Type & Print Name of Treasurer

SIGNATURE OF TREASURER

10-31-86

Date

For further information contact:

Federal Election Commission
800 E Street, N.W.
Washington, D.C. 20463
Tel: (202) 436-6530
Local: (202) 396-3120

NOTE: Submission of false, erroneous or incomplete information may subject the person signing this report to the penalties of 2 U.S.C. § 5471

All previous versions of FEC FORM 3 and FEC 1 JRM 3c are obsolete and should no longer be used

FEC FORM 3A (80)

03040700347
5166

Hardee's
1000 GOVERNMENT FUND
P.O. Box 1810 / Rocky Mount, N.C. 27801

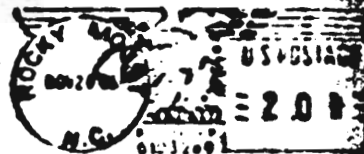
Federal Election Commission
1325 K Street, North West
Washington, DC 20463

CERTIFIED

033 672 866

MAIL

ATTACHMENT 20e



86 NOV 23 02:10

SENSITIVE

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

FIRST GENERAL COUNSEL'S REPORT

**DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION _____**

**RAD REFERRALS 97NF-08 to 41
STAFF MEMBER
Deborah Curry**

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

RESPONDENTS' NAMES:

9 3 7 4 0 7 0 0 3 4 9

... and

Hardee's Food Systems, Inc. Good
Government Fund, and Jesse M.
Harrington, III, as treasurer

99040700350

RELEVANT STATUTES: 2 U.S.C. § 434(a)(4)(B) and
11 C.F.R. 104.5(c)(3)(ii)

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

This matter was generated by the Reports Analysis Division ("RAD") after a review of the disclosure reports of the above-named committees. The RAD referral reveals that the above mentioned committees and their treasurers, may have violated 2 U.S.C. § 434(a)(4)(B) by failing to file the 1986 Pre-General Election Report in a timely manner.

II. FACTUAL AND LEGAL ANALYSIS

Attached is a listing of thirty-four (34) monthly filers which failed to file a report covering the pre-election period by Election Day, November 4, 1986. (Attachment 1) On September 29, 1986, prior notification was sent to all unauthorized committees which specifically informed monthly filers of the requirement to file a 12 Day Pre-General Report by October 23, 1986. (Attachment 1, page 137) Each committee which failed to submit either a 12 Day Pre-General Report or a November Monthly Report was sent a Non-Filer Notice on November 14, 1986. (Attachment 1, page 139) The following six (6) committees were not sent Non-Filer Notices because a report covering the pre-election period was indexed by November 14, 1986:

93040700351

-
-
-
-
-
-

The attached printout lists the name, address and treasurer for each committee being referred. (Attachment 1, pages 5-10) Any telephone conversations are referenced under Contacts with Filers. The Summary Pages of the late-filed reports and/or letters of explanation are included under Reports Filed/Response(s).

In addition, a "C" index has been included for each committee. (Attachment 1) Please note that the aggregate receipt and disbursement figures may be inflated in some cases because (a) reports were submitted covering portions of the same period (e.g., a 12 Day Pre-General report covering October 1, 1986 through October 15, 1986 and a November Monthly Report covering October 1, 1986 through October 31, 1986), or (b) 1987 February Monthly Reports have been filed.

2 U.S.C. § 434(a)(4)(B) requires that monthly filers file a Pre-General Election Report, covering financial activity from October 1 through October 15, by October 23, 1986. The above

93040700352

referenced committees failed to file the 1986 Pre-General Election Report by the required deadline. Therefore, though the Commission is in receipt of report(s) disclosing financial activity covering the pre-general election period, such report(s) were not filed in a timely manner.

With regard to thirty-two non-filers listed below, the Office of General Counsel recommends that the Commission open MURs and find reason to believe these committees and their treasurers violated 2 U.S.C. § 434(a)(4)(B). With regard to Association of Independent Colleges and Schools Political Action Committee (\$253 receipts/0 exp's) and Trammell Crow Partners Political Committee (0 receipts/0 exp's), the Office of General Counsel recommends that the Commission decline to open a MUR because of the low amount of financial activity during the pre-election reporting period.

III. RECOMMENDATIONS

1. Open MURs with respect to those committees listed in Recommendation 2.
2. Find reason to believe the following committees and their treasurers violated 2 U.S.C. § 434(a)(4)(B):

2304070033

83040700354

Hardee's Food Systems, Inc. Good
Government Fund, and Jesse M.
Harrington, III, as treasurer

3. Approve the attached sample letter and sample Factual and Legal Analysis to be sent to each committee listed in Recommendation 2.

4.

Date

5/18/87


Lawrence M. Noble
Acting General Counsel

Attachments

1. Referral Materials
2. Sample Letter (1)
3. Sample Factual and Legal Analysis (1)

880407.00355

BEFORE

ERAL ELECTION COMMISSION

In the Matter of

RAD Ref. 87NF-08 to 41

93040700356

(continued)

Federal Election Commission
Certification for RAD Ref. 87NF-08 to 41
May 21, 1987

Page 2.

Hardee's Food Systems, Inc. Good
Government Fund, and Jesse M.
Harrington, III, as treasurer

38040700357

(continued)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 21, 1987, the Commission decided by a vote of 6-0 to take the following actions in RAD Ref. 87NF-08 to 41:

1. Open MURs with respect to those committees listed in Recommendation 2.
2. Find reason to believe the following committees and their treasurers violated 2 U.S.C. § 434(a) (4) (B):

(continued)

23740700358

Federal Election Commission
Certification for RAD Ref. 87NF-08 to 41
May 21, 1987

Page 4

88040700359

...ntinued)



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 8, 1987

Jesse M. Harrington, III, Treasurer
Hardee's Food Systems, Inc. Good
Government Fund
C/O Richard Richardson
P.O. Box 1619
Rocky Mountain, NC 27801

RE: MUR 2438
Hardee's Food Systems, Inc.
Good Government Fund, and
Jesse M. Harrington, III,
as treasurer

Dear Mr. Harrington III:

On May 21, 1987, the Federal Election Commission determined there is reason to believe Hardee's Food Systems, Inc. Good Government Fund and you, as treasurer, violated 2 U.S.C. § 434(a)(4)(B), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen days of your receipt of this letter.

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

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

93040700361

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 will not be entertained after briefs on probable cause have been mailed to the respondent.

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

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

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Anthony Marshall, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Scott E. Thomas
Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Statement

83040700362

plm

**FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS**

RESPONDENTS: Hardee's Food Systems, Inc. Good
Government Fund, and Jesse M.
Harrington, III, as treasurer

MUR 2438

The RAD referral reveals that the above-mentioned committee and treasurer, may have violated 2 U.S.C. § 434(a)(4)(B) by failing to file the 1986 Pre-General Election Report in a timely manner.

On September 29, 1986, prior notification was sent to all unauthorized committees which specifically informed monthly filers of the requirement to file a 12 Day Pre-General Election Report by October 23, 1986. The above-mentioned Committee failed to file a report covering the pre-election period by Election Day, November 4, 1986. Each Committee which failed to submit either a 12 Day Pre-General Election Report or a November Monthly Report was sent a Non-filer Notice on November 14, 1986, unless the Commission had received the reports by that date.

2 U.S.C. § 434(a)(4)(B) required that monthly filers file a Pre-General Election Report, covering financial activity from October 1 through October 15, by October 23, 1986. The above-referenced committee failed to file the 1986 Pre-General Election Report by the required deadline. Though the Committee may have filed a report which disclosed financial activity covering the pre-general election period, such report was not filed in a

8 9 0 4 0 7 0 0 3 6 3

timely manner. Therefore, the Office of General Counsel recommends the Commission open a MUR in this matter and find reason to believe the above-mentioned Respondents have violated 2 U.S.C. § 434(a)(4)(B).

88040700364

Hardee's

June 23, 1987

Mr. Scott E. Thomas, Chairman
Federal Election Commission
1425 K Street, North West
Washington, DC 20463

RE: MUR 2438

Dear Mr. Thomas:

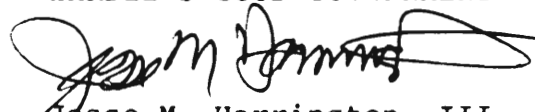
This is in reply to your letter of June 8, 1987, regarding reason to believe that Hardee's Good Government Fund may have filed its report of financial activity from October 1 through October 15, 1986, after the October 23, 1986 deadline. We herewith request pre-probable cause conciliation of this matter due to the non-intentional nature of this alleged violation as well as our otherwise exemplary record of compliance during the Fund's nearly ten (10) years of existence so far.

We also wish to demonstrate that no action should be taken and to submit factual and legal materials which we believe are relevant to your consideration of this matter. In that regard, our records do not show receipt of a prior notification dated on or about September 29, 1986 specifically advising us of the 12-Day Pre-General Election Report required to be filed by October 23, 1986. However, upon our receipt of the Non-filer Notice dated November 14, 1986, Hardee's did contact Christopher Nuland, in your office, and explained our situation. He instructed us to file an otherwise timely monthly report with a note that we were unaware of the 12 Day Pre-General Report requirement during October and intended to report in a timely manner. We did so and understood the matter to be closed.

If for any reason you decide neither to take no action nor pursue pre-probable cause conciliation, we will refer this matter to outside counsel. In that event, we also reserve the right to submit further factual or legal materials which we believe would be relevant to the Commission's further consideration.

Sincerely,

HARDEE'S GOOD GOVERNMENT FUND


Jesse M. Harrington, III
Treasurer

JMH:III/dm

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Hardee's Food Systems, Inc. Good)
Government Fund, and)
Jesse M. Harrington, III, as)
treasurer)

MUR 2438

JUL 20 11:08

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On May 21, 1987, the Commission found reason to believe that Hardee's Food Systems, Inc. Good Government Fund and Jesse M. Harrington, III, as treasurer, violated 2 U.S.C. § 434(a)(4)(B) by failing to file its 1986 12 Day Pre-General Report. By letter dated June 23, 1987, respondents requested to settle this matter prior to a finding of probable cause to believe (Attachment 1).

II. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

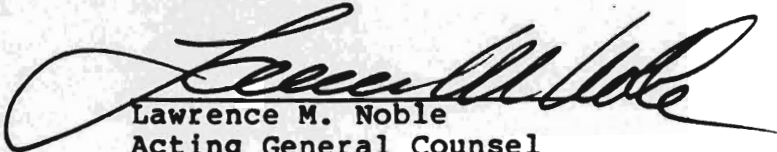
88040700366

III. RECOMMENDATIONS

1. Enter into conciliation with Hardee's Food Systems, Inc. Good Government Fund, and Jesse M. Harrington, III, as treasurer, prior to a finding of probable cause to believe.
2. Approve the attached proposed conciliation agreement and letter.

Date

7/17/87


Lawrence M. Noble
Acting General Counsel

Attachments

1. Request for conciliation
2. Proposed agreement and letter

1/ Receipts were payroll contributions from Hardee's employees. They were only broken down by month. Since the report should have covered October 1-15, the amount of receipts listed is one half of the total \$2,197.12 which were received in October 1986.

2/ Disbursements were broken down by the exact date. All of the disbursements included in the \$57,000.00 figure were made on October 14, 1986.

88040700367

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Hardee's Food Systems, Inc. Good) MUR 2438
Government Fund, and)
Jesse M. Harrington, III, as)
treasurer)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 22, 1987, the Commission decided by a vote of 6-0 to take the following actions in MUR 2438:

1. Enter into conciliation with Hardee's Food Systems, Inc. Good Government Fund, and Jesse M. Harrington, III, as treasurer, prior to a finding of probable cause to believe.
2. Approve the proposed conciliation agreement and letter, as recommended in the General Counsel's Report signed July 17, 1987.

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

Attest:

7-22-87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Mon., 7-20-87, 11:08
Circulated on 48 hour tally basis: Mon., 7-20-87, 4:00
Deadline for vote: Wed., 7-22-87, 4:00

83040700368



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 24, 1987

Jesse M. Harrington, III, Treasurer
Hardee's Food Systems, Inc.
Good Government Fund
c/o Richard Richardson
P.O. Box 1619
Rocky Mount, NC 27801

RE: MUR 2438
Hardee's Food Systems,
Inc. Good Government Fund
and Jesse M. Harrington,
III, as treasurer

Dear Mr. Harrington:

On May 21, 1987, the Federal Election Commission found reason to believe that Hardee's Food Systems, Inc. Good Government Fund and you, as treasurer, violated 2 U.S.C. § 434(a)(4)(B). At your request, on July 22, 1987, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble

Lawrence M. Noble
Acting General Counsel

Enclosure
Conciliation Agreement

33040700369



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 18, 1987

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Jesse M. Harrington, III, Treasurer
Hardee's Food Systems, Inc.
Good Government Fund
c/o Richard Richardson
P.O. Box 1619
Rocky Mount, N.C. 27801

RE: MUR 2438
Hardee's Food Systems,
Inc. Good Government
Fund and Jesse M.
Harrington, III, as
treasurer

Dear Mr. Harrington:

On July 24, 1987, you were notified that, at your request, the Federal Election Commission determined to enter into negotiations directed toward reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. On that same date, you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that conciliation negotiations entered into prior to a finding of probable cause to believe are limited to a maximum of 30 days. To date, you have not responded to the proposed agreement. The 30-day period for negotiations will soon expire. Unless we receive a response from you within 5 days, this Office will consider these negotiations terminated and will proceed to the next stage of the enforcement process.

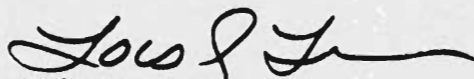
33040700370

Letter to Jesse M. Harrington, III, Treasurer
Page 2

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

Sincerely,

Lawrence M. Noble
Acting General Counsel


By: Lois G. Lerner
Associate General Counsel

88040700371



CCC # 4220

August 24, 1987

FEDERAL EXPRESSFEDERAL ELECTION COMMISSION
Washington, D.C. 20463

ATTN: Susan Beard, Attorney

Re: MUR 2438 - Hardee's Food Systems, Inc. Good Government
Fund and Jesse M. Harrington, III, as its treasurer

Dear Ms. Beard:

As per our telephone discussion today, we are hereby requesting an extension of time for 30 additional days to negotiate a conciliation agreement in this matter. We are very much interested in working this out on an amicable basis, but have been delayed in putting together a response by the absence of several of our key people for several weeks as well as a heavy load of litigation. We have just discovered that the facts on which the finding of reason to believe that a violation occurred may have been largely if not entirely erroneous, in that the expenditures stated in the report as having been made on October 14, 1987, were not actually made until after October 15, which was the 20th day before the election, and therefore such expenditures did not have to be filed 12 days before the election. It will take some time to get the documents needed to verify this, as well as to brief the Commission on the legal questions that will be involved, however, so even with the extension, I am still going to have to work hard to be able to get it all done promptly. In any event, I am also planning to go ahead and send you our counterproposal to the conciliation agreement you sent us, so that we will not be wasting time in case a violation still remains. Thus, I will probably be able to send the counterproposal to you tomorrow while I am waiting to receive copies of some of the documents needed to ascertain when the expenditures were incurred.

Sincerely,

V. Bruce Whitehead
Assistant General Counsel

87 AUG 25 P 2:17

RECEIVED
GENERAL COUNSEL

88040700372



6CC 4255

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

87 AUG 28 PM 1:16

FEDERAL EXPRESS

August 27, 1987

FEDERAL ELECTION COMMISSION
1425 K Street, N.W.
Washington, D.C. 20463

ATTN: Susan Beard, Attorney

Re: MUR 2438 - Hardee's Food Systems, Inc. Good Government Fund
and Jesse M. Harrington, III, as its treasurer

Dear Ms. Beard:

As you requested in our telephone conversation today, we are enclosing copies of the letters wherewith the Hardee's Good Government Fund distributed its contributions which were going to the various candidates in October, 1987. These show that even though the checks may have been dated as of October 14, they were still in our possession and thus subject to being revised or even voided out (as we have in fact done on previous occasions) through at least October 15 and until they were subsequently mailed or personally presented.

As I stated to you, the reason the checks were dated October 14 was due to our Treasury department's practice of dating the check as of when it was requested by our PAC, even though that usually means that the check is off by a few days. That is why the enclosed copies of letters show that the checks were sent out between three and fourteen days after the dates shown in our October report, which was based on the check dates recorded in the books of the Committee.

In addition, you had asked that I explain the procedure our PAC uses for implementing its decisions on which candidates will receive contributions. Essentially what happens is that a meeting is held where the selections are made, which are then given to the treasurer who has the checks written after which our Government Affairs department is notified that they are ready for them to pick up, following which they arrange to send out the checks by mail or by personal delivery, or in some cases, by mail to someone who then goes and personally delivers the check. By the way, since there were forty-eight contributions reported but only 23 letters, it should be noted that some of the letters covered several candidates and some others were hand delivered.

I trust that the above covers the information you needed, but if there are any further questions, please do not hesitate to call me direct at (919) 977-8517.

Sincerely,

V. Bruce Whitehead
Assistant General Counsel

October 28, 1986

Mr. Martin Lancaster
P.O. Box 1475
Goldsboro, NC 27533

Dear Martin:

I am pleased to be forwarding Hardee's Good Government Fund contribution to your campaign. With Election Day just around the corner, I'm sure you'll be able to put the enclosed contribution to good use.

We appreciate your interest in promoting a healthy business climate for companies such as Hardee's. Best wishes for success in November.

Sincerely,

John D. Merritt
PAC Coordinator

JM/rs

Enclosure

--

83040700374

October 27, 1986

Mr. Charlie Rose
P.O. Box 1891
Fayetteville, NC 23801

Dear Charlie:

I am pleased to be forwarding Hardee's Good Government Fund contribution to your campaign. With Election Day just around the corner, I'm sure you'll be able to put the enclosed contribution to good use.

We appreciate your interest in promoting a healthy business climate for companies such as Hardee's. Best wishes for success in November.

Sincerely,

John D. Merritt
PAC Coordinator

JM/rs

Enclosure

38040700375

October 27, 1986

Mr. Alex McMillan
P.O. Box 221766
Charlotte, NC 28222-1766

Dear Alex:

I am pleased to be forwarding Hardee's Good Government Fund contribution to your campaign. With Election Day just around the corner, I'm sure you'll be able to put the enclosed contribution to good use.

We appreciate your interest in promoting a healthy business climate for companies such as Hardee's. Best wishes for success in November.

Sincerely,

John D. Merritt
PAC Coordinator

JM/rs

Enclosure

--

83040700376

October 27, 1986

Mr. Jim Slattery
P.O. Box 1978
Topeka, KS 66601

Dear Jim:

I am pleased to be forwarding Hardee's Good Government Fund contribution to your campaign. With Election Day just around the corner, I'm sure you'll be able to put the enclosed contribution to good use.

We appreciate your interest in promoting a healthy business climate for companies such as Hardee's. Best wishes for success in November.

Sincerely,

John D. Merritt
PAC Coordinator

JM/rs

Enclosure

--

88040700377

October 27, 1986

Mr. Jim Golden
P.O. Box 1449
Chattanooga, TN 37401

Dear Jim:

I am pleased to be forwarding Hardee's Good Government Fund contribution to your campaign. With Election Day just around the corner, I'm sure you'll be able to put the enclosed contribution to good use.

We appreciate your interest in promoting a healthy business climate for companies such as Hardee's. Best wishes for success in November.

Sincerely,

John D. Merritt
PAC Coordinator

JM/rs

Enclosure

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8 7 3 0 0 7 0 4 0 8

October 24, 1986

Mr. George Kelsey
Hardee's Area VII
38777 W. 6 Mile Road
Livonia, MI 48152

Dear George:

Thank you for your assistance in getting these Hardee's Good Government Fund contribution checks delivered to the appropriate Congressional campaigns there in Michigan.

For your information, the following is a list of key contacts and phone numbers for each campaign:

Michigan 5th - Paul Henry
Ask for Lisa Morrow at 616/956-6804

Michigan 6th - Jim Dunn
Ask for Teresa Dean at 517/351-8977

Michigan 10th - Bill Schuette
Ask for Beverly Bogard at 517/631-5252

Sincerely,

John D. Merritt
Vice President
Government and Public Affairs

JM/rs

Enclosures

83040700379

October 24, 1986

Mr. Steve Peck
Hardee's Area II Region Office
907B North Main Street
Summerville, SC 29483

Dear Steve:

Enclosed is Hardee's Good Government Fund contribution to Arthur Ravenel's Congressional campaign in South Carolina's 1st district. Please call me when this arrives for an explanation.

Sincerely,

John D. Merritt
Vice President
Government and Public Affairs

JM/rs

Enclosure

83040700390

October 24, 1986

Mr. Bob Hayes
White Castle System, Inc.
P.O. Box 1498
Columbus, OH 43216

Dear Bob:

Thank you for your assistance in getting this Hardee's Good Government Fund contribution delivered to John Kasich's campaign in Ohio's 12th district.

In response to your observation concerning Wylie, our Committee generally supports those candidates in districts where we have a concentration of restaurants.

Sincerely,

John D. Merritt
Vice President
Government and Public Affairs

JM/rs

Enclosure

88040700381

October 21, 1986

Mr. Tommy F. Robinson
P.O. Box 2057
Little Rock, AR 72201

Dear Tommy:

I am pleased to be forwarding Hardee's Good Government Fund contribution to your campaign. With Election Day just around the corner, I'm sure you'll be able to put the enclosed contribution to good use.

We appreciate your interest in promoting a healthy business climate for companies such as Hardee's. Best wishes for success in November.

Sincerely,

John D. Merritt
PAC Coordinator

JM/rs

Enclosure

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98040700382

October 21, 1986

Mr. George Darden
P.O. Box 4545
Marietta, GA 30061

Dear George:

I am pleased to be forwarding Hardee's Good Government Fund contribution to your campaign. With Election Day just around the corner, I'm sure you'll be able to put the enclosed contribution to good use.

We appreciate your interest in promoting a healthy business climate for companies such as Hardee's. Best wishes for success in November.

Sincerely,

John D. Merritt
PAC Coordinator

JM/rs

Enclosure

--

88040700383

October 21, 1986

Mr. Jim Lightfoot
P.O. Box 1986
Shenandoah, IA 51601

Dear Jim:

I am pleased to be forwarding Hardee's Good Government Fund contribution to your campaign. With Election Day just around the corner, I'm sure you'll be able to put the enclosed contribution to good use.

We appreciate your interest in promoting a healthy business climate for companies such as Hardee's. Best wishes for success in November.

Sincerely,

John D. Merritt
PAC Coordinator

JM/rs

Enclosure

--

83040700394

October 21, 1986

Ms. Helen Delich Bentley
2323 York Road
Timonium, MD 21093

Dear Helen:

I am pleased to be forwarding Hardee's Good Government Fund contribution to your campaign. With Election Day just around the corner, I'm sure you'll be able to put the enclosed contribution to good use.

We appreciate your interest in promoting a healthy business climate for companies such as Hardee's. Best wishes for success in November.

Sincerely,

John D. Merritt
PAC Coordinator

JM/rs

Enclosure

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93040700395

October 21, 1986

Mr. Bill Emerson
P.O. Box 822
Cape Girardeau, MO 63701

Dear Bill:

I am pleased to be forwarding Hardee's Good Government Fund contribution to your campaign. With Election Day just around the corner, I'm sure you'll be able to put the enclosed contribution to good use.

We appreciate your interest in promoting a healthy business climate for companies such as Hardee's. Best wishes for success in November.

Sincerely,

John D. Merritt
PAC Coordinator

JM/rs

Enclosure

--

83040700396

October 21, 1986

Mr. David A. Christian
25 E. State Street
Doylestown, PA 18901

Dear David:

I am pleased to be forwarding Hardee's Good Government Fund contribution to your campaign. With Election Day just around the corner, I'm sure you'll be able to put the enclosed contribution to good use.

We appreciate your interest in promoting a healthy business climate for companies such as Hardee's. Best wishes for success in November.

Sincerely,

John D. Merritt
PAC Coordinator

JM/rs

Enclosure

--

83040700387

October 21, 1986

Mr. Robin M. Tallon, Jr.
P.O. Box 6286
Florence, SC 29502

Dear Robin:

I am pleased to be forwarding Hardee's Good Government Fund contribution to your campaign. With Election Day just around the corner, I'm sure you'll be able to put the enclosed contribution to good use.

We appreciate your interest in promoting a healthy business climate for companies such as Hardee's. Best wishes for success in November.

Sincerely,

John D. Merritt
PAC Coordinator

JM/rs

Enclosure

--

88300704038

October 21, 1986

Mr. Dale Bell
P.O. Box 84727
Sioux Falls, SD 57118

Dear Dale:

I am pleased to be forwarding Hardee's Good Government Fund contribution to your campaign. With Election Day just around the corner, I'm sure you'll be able to put the enclosed contribution to good use.

We appreciate your interest in promoting a healthy business climate for companies such as Hardee's. Best wishes for success in November.

Sincerely,

John D. Merritt
PAC Coordinator

JM/rs

Enclosure

--

89040700389



October 21, 1986

Mr. Tom Phillips
Georgia Hospitality and Travel
148 International Blvd.
Suite 625
Atlanta, GA 30303

Dear Tom:

Per our phone conversation of today, I've enclosed the contribution check from Hardee's Good Government Fund to Newt Gingrich's re-election campaign in Georgia's 6th district.

Thank you for your assistance in getting it delivered.

Sincerely,

Rita Selheim
Public Affairs

/rs

Enclosure

--



JOHN D. MERRITT
Vice President
Government and Public Affairs
977-8519

October 21, 1986

Mr. Toby Roth
P.O. Box 2673
Appleton, WI 54913

Dear Toby:

I haven't seen you since your National Restaurant Association speech. Hope you're doing well personally and with your campaign.

I am pleased to be forwarding Hardee's Good Government Fund contribution to your campaign. With Election Day just around the corner, I'm sure you'll be able to put it to good use. We appreciate your interest in promoting a healthy business climate for companies such as Hardee's.

Best wishes for success in November.

Sincerely,

John D. Merritt
Vice President
Government and Public Affairs

JM/rs

Enclosure



JOHN D. MERRITT
Vice President
Government and Public Affairs
977-8519

October 20, 1986

Mr. Bruce C. Cotton
Jerrico, Inc.
P.O. Box 11988
Lexington, KY 40579

Dear Bruce:

As we discussed today on the phone, here are Hardee's Good Government Fund contribution checks for Jim Bunning and Larry Hopkins. Again, thank you for helping us get these out.

For your information, there is a fund-raiser for Bunning on Friday, October 24, at 7:30 p.m. It is a birthday party for him to be held in Ft. Mitchell at the Draw Bridge Inn, I-75 and Buttermilk Pike.

Sincerely,

John D. Merritt
Vice President
Government and Public Affairs

JM/rs

Enclosures

39040700392



JOHN D. MERRITT
Vice President
Government and Public Affairs
977-8519

October 17, 1986

Mr. Lee D. Staak
132½ E. Washington St.
Iowa City, IA 52240

Dear Lee:

Thank you for your assistance in getting these Hardee's Good Government Fund contributions delivered to the appropriate campaigns. I've included a list of key contacts and upcoming fund-raisers that you might like to attend to make the presentations.

Sincerely,

John D. Merritt
Vice President
Government and Public Affairs

JM/rs

Enclosures

Grassley '86 Committe - Charles Grassley
Contact Rita Fisher at 515/246-1900

October 22nd - 7:30 pm
Des Moines Club, 666 Grand Avenue, Des Moines
dinner featuring Elizabeth Dole
\$1000/person

Iowa 3rd - John McIntee (R)
Contact Debbie Minkoff at 319/235-1480

October 21st - details are sketchy
Grundy Center, IA
Cong. Cooper Evans home county is hosting

83040700394



JOHN D. MERRITT
Vice President
Government and Public Affairs
977 B-19

October 17, 1986

Mr. Warren Spangle
Indiana Restaurant Association
2120 North Meridian St.
Indianapolis, IN 46202

Dear Warren:

Thank you for taking care of me with these checks. Here is a list of upcoming fund-raisers and key contacts for each candidate if your interested.

Sincerely,

A handwritten signature in cursive script that reads "John Merritt".

John D. Merritt
Vice President
Government and Public Affairs

JM/rs

Indiana 3rd - John Hiler (R)
Phone - 219/232-2851 or 326-8503

Indiana 5th - Jim Butcher (R)
Contact Mike Young or Theresa Harvey at 317/459-3901

October 22nd - 5:00 to 7:00 pm
Ramada Inn, Kokomo
reception featuring Bud Hillis and Phil Crane
\$25/person

October 23rd - 8:00 to 10:00 am
Valporaso Expo Center
featuring Congressman Guy Vander Jagt
\$15/person

Indian 6th - Dan Burton(R)
Contact Ivalee Lamberson at 317/844-3078

October 19th - 4:00 to 6:00 pm
Farmington Addition, 5109 Timothy Way, Muncie, IN

88040700395

Burton (Cont.)
private home reception

October 30th - 7:30 am
Tipton, no location yet
breakfast

Indiana 8th - Richard McIntyre (R)
Contact Susan Hedrick at 812/426-2800

88040700396



JOHN D. MERRITT
Vice President
Government and Public Affairs
977-8516

October 17, 1986

Mr. Andrew Kelly
Illinois Restaurant Association
20 North Wacker Drive, Suite 1130
Chicago, IL 60606

Dear Andy:

Please take care of me per our conversation. Here is a list of upcoming fund-raisers and key contacts for each candidate.

Illinois 13th - Harris Fawell (R)
Contact Barbara Wheat at 312/655-2052

Illinois 14th - Dennis Hastert (R)
Contact Kathy Murtaugh at 312/584-1986

October 20th - 8:00 am
Galleon Restaurant, Rte. 64 downtown, St. Charles, IL
breakfast featuring Secretary Dole

October 22nd - 5:00 to 7:00 pm
Starved Rock Lodge, Utica, IL (LaSalle County)
reception featuring Bob Michael

Illinois 22nd - Randy Patchett (R)
Contact Jeff Jolly at 618/977-3011

October 30th - no details yet
featuring Cong. Bob Michael

Thank you so much for your assistance.

Sincerely,

John Merritt

88040700397



JOHN D. MERRITT
Vice President
Government and Public Affairs

October 17, 1986

Mr. John Garner
Garner Food Systems
11940 Alpharetta Hwy.
Suite 121
Alpharetta, GA 30201

Dear John:

Enclosed are the checks we discussed today along with a list of upcoming fund-raisers you might like to attend to make the presentations.

Thank you again,

Sincerely,

John D. Merritt
Vice President
Government and Public
Affairs

JM/rs

Enclosures

88040700398



UPCOMING FUND-RAISERS

Mack Mattingly for Senate

Contact Leo Reichert at 404/352-1986

October 21st - 5:30 to 7:00 pm
Marriott Marque, Atlanta
reception featuring Senator Dole
\$250/person

October 27th - 5 to 7:00 pm
Hyatt Downtown, Savannah
reception featuring Vice President Bush
\$200/person

October 28th - 11:30 am
Hyatt Ravinia, Atlanta
luncheon
\$200/person

Patrick Swindall for Congress

Contact Matt Hawkins at 404/377-9633

October 20th - 7:30 am
Sheraton Century Center, 185 & Claremont, Atlanta
breakfast featuring Jack Kemp

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Hardee's Food Systems, Inc. Good Government Fund and Jesse M. Harrington, III, as treasurer

MUR 2438

GENERAL COUNSEL'S REPORT

On July 22, 1987, the Commission decided to enter into pre-probable cause conciliation with the Hardee's Food Systems, Inc. Good Government Fund and Jesse M. Harrington, III, as treasurer. The Commission mailed the notification letter and proposed conciliation agreement to Respondents on July 24, 1987.

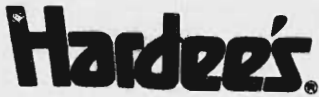
The Office of the General Counsel and Respondents have been engaging in frequent discussions in an effort to agree on a conciliation agreement. On August 24, 1987, Respondents requested that negotiations be extended for thirty (30) days. On August 25, 1987, Respondents submitted a lengthy counterproposal. On August 27, 1987, Respondents telephoned this Office to further discuss the negotiation process. At that time Respondents informed this Office that another response was being prepared. At this time, it appears likely that we will be able to resolve this matter at this stage of the compliance process. Therefore, this Office believes it is worthwhile to continue these pre-probable cause conciliation negotiations for an additional thirty (30) days.

Lawrence M. Noble
Acting General Counsel

Date _____

BY:

Lois G. Lerner
Associate General Counsel



GCC# 4421

FEDERAL EXPRESS

September 21, 1987

Federal Election Commission
1425 K Street, N.W.
Washington, D.C. 20463

Attn.: Susan Beard, Attorney

Re: MUR 2438 - Hardee's Food Systems, Inc. Good Government Fund
and Jesse M. Harrington, III, as its treasurer

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 SEP 23 AM 12:14

Dear Ms. Beard:

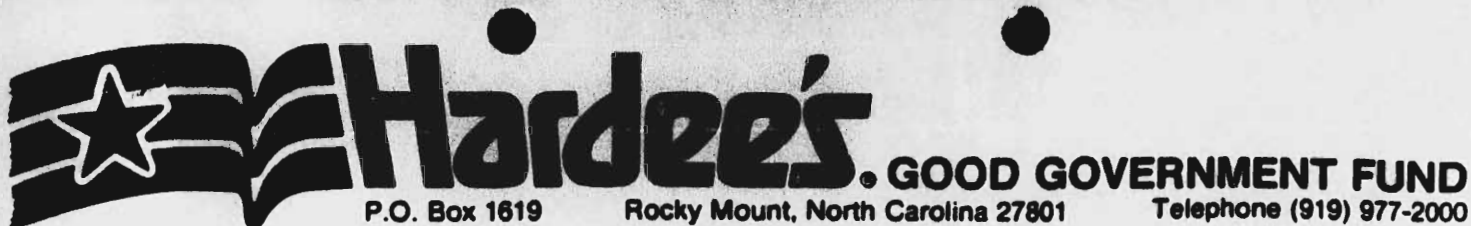
In response to your telephone request for further information on exactly when the October, 1986, checks from the above for contributions to candidates in the general election were actually cut or delivered, I have checked our files and have not been able to find any acknowledgements from candidates showing their date of receipt. However, I did find the enclosed copy of a letter to the Maryland Board of Elections which indicates that the checks were actually made out on October 15 and presented to the recipients on a later date. In addition, I have talked to the people in both our Treasury and our Government Affairs departments who specifically state that the checks were in fact made out October 15 instead of October 14 and then distributed at some later date.

By the way, the letter to the Maryland Board of Elections also shows that we were trying to comply with the requirements as best we could, since the dates of the check and its presentation are both disclosed in that case, whereas on the federal report our people were then still continuing to follow the advice from several years ago that the safest thing to do was to use the check date as the date on which we made the disbursement, even if it was presented later. You had mentioned the other day that a new interpretation of what should be used as the date a contribution was made had been issued, but I have not been able to find it in the FEC material I have here, so could you please send me a copy of the Federal Register or other notice that the regulation was amended?

Sincerely,

V. Bruce Whitehead
Assistant General Counsel

P.S. Sorry for the delay, but we had an emergency late last week that kept me from talking to everyone that I needed to in order to cover all the bases.



October 16, 1986

Ms. Rebecca Babinec
Maryland Board of Elections
P.O. Box 231
Annapolis, MD 21401-0231

Dear Ms. Babinec:

Hardee's Good Government Fund, a Federal Political Action Committee (000-83840), has made a contribution to the Don Schaefer for Governor campaign in the amount of \$1000. The check is dated October 15, 1986 and it will be presented on October 20, 1986.

Sincerely,

Richard D. Richardson
Assistant Treasurer
Hardee's Good Government Fund

RDR/rs

Phone 301/269-3711

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION COMMISSION

87 NOV -9 AM 8:55

In the Matter of)
Hardee's Food Systems, Inc. Good)
Government Fund and Jesse M.)
Harrington, III, as treasurer)

MUR 2438

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On May 21, 1987, the Commission found reason to believe that the Hardee's Food Systems, Inc. Good Government Fund (the "Committee") and Jesse M. Harrington, III, as treasurer, violated 2 U.S.C. § 434(a)(4)(B) by failing to file its 1986 12 Day Pre-General Report in a timely manner. On July 22, 1987, the Commission decided to enter into pre-probable cause conciliation

On August 25, 1987, this Office received a request for an extension of time which would allow the conciliation process to continue. Attachment 1. On August 26, 1987, a counteroffer was received and mitigating circumstances were discussed including a misunderstanding with the RAD Analyst. Attachment 1 at 2-4. On August 28, 1987, a further response was received. Attachment 1 at 5. On September 22, 1987, a subsequent response was received. Attachment 1 at 32.

In the counteroffer, Respondents claimed that even though the contributions were reported as being made on October 14, 1986, in actuality they were made after October 15, 1986. On September 1, 1987, in a phone conversation with this Office,

83040700403

Respondents' counsel stated that the request for pre-probable cause conciliation would also apply to a reporting violation if it exists.

II. FACTUAL AND LEGAL ANALYSIS

Pursuant to 2 U.S.C. § 434(b)(6)(B)(i), an unauthorized political committee must report the name and address of each political committee it makes a contribution to during the reporting period, together with the date and amount of the contribution. Pursuant to 2 U.S.C. § 434(a)(4)(B), an unauthorized committee that files monthly reports must file a Pre-General Election Report regardless of whether any activity occurred.

In Respondents' letter of August 27, 1987, Respondents stated that the date that was reported was the date on which the Committee requested its Treasury Department to make the check, and not the date on which the funds left the Committee's control. The Committee reported making 47 contributions on October 14, 1986. Fifteen contributions were delivered by mail to the authorized committees accompanied by letters dated from October 20, 1986, to October 28, 1986. Eighteen contributions were delivered to the intended recipients by third parties. The third parties received the checks with confirming letters that were dated from October 17, 1986 to October 24, 1986. The remaining 14 contributions were delivered by hand to the authorized committees after October 15, 1986, according to Respondents' counsel.

93040700404

Although Respondents have provided evidence that all of the contributions originally reported as being made during the pre-election reporting period were actually made after October 15, it was still required to file a Pre-Election Report since it is a monthly filer. Moreover, this evidence demonstrates that the Respondents have not correctly reported the dates of these contributions. Therefore, this Office is recommending reason to believe that a violation of 2 U.S.C. § 434(b)(6)(B)(i) occurred. This violation involves 47 contributions totalling \$57,000 for which this Office would normally recommend a civil penalty of

Evidence of this violation, however, has been voluntarily provided to the Commission by the Respondents during the conciliation process. Furthermore, Respondents have no prior history of violations, have timely filed all other reports during the 1986 election cycle, and had a misunderstanding on this late filing.

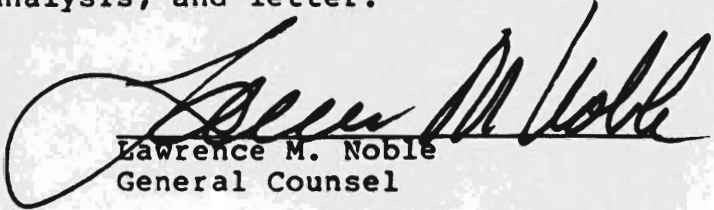
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III. RECOMMENDATIONS

1. Find reason to believe that the Hardee's Food Systems, Inc. Good Government Fund and Jesse M. Harrington, III, as treasurer, violated 2 U.S.C. § 434(b)(6)(B)(i).
2. Approve the attached proposed conciliation agreement, factual and legal analysis, and letter.

Date

11/6/87


Lawrence M. Noble
General Counsel

Attachments

1. Responses from Respondents
2. Proposed letter, factual and legal analysis, and conciliation agreement

88040700406

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Hardee's Food Systems, Inc. Good
Government Fund and Jesse M.
Harrington, III, as treasurer

MUR 2438

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal
Election Commission, do hereby certify that on November 13,
1987, the Commission decided by a vote of 6-0 to take
the following actions in MUR 2438:

1. Find reason to believe that the Hardee's Food
Systems, Inc. Good Government Fund and Jesse
M. Harrington, III, as treasurer, violated
2 U.S.C. § 434(b)(6)(B)(i).
2. Approve the proposed conciliation agreement,
factual and legal analysis, and letter, as
recommended in the General Counsel's report
signed November 6, 1987.

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

Attest:

11-13-87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Mon., 11-09-87, 8:55
Circulated on 48 hour tally basis: Mon., 11-09-87, 4:00
Deadline for vote: Thurs., 11-12-87, 4:00

93040700407



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 23, 1987

**V. Bruce Whitehead
Assistant General Counsel
Hardee's Food Systems, Inc.
1233 N. Church Street
Rocky Mount, NC 27802-1619**

**RE: MUR 2438
Hardee's Food Systems, Inc.
Good Government Fund and Jesse
M. Harrington, III, as
treasurer**

Dear Mr. Whitehead:

On May 21, 1987, the Federal Election Commission found reason to believe that your clients, Hardee's Food Systems, Inc. Good Government Fund and Jesse M. Harrington, III, as treasurer, violated 2 U.S.C. § 434(a)(4)(B). On November 13, 1987, the Commission found reason to believe that your clients violated 2 U.S.C. § 434(b)(6)(B)(i). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Enclosed herewith is a conciliation agreement

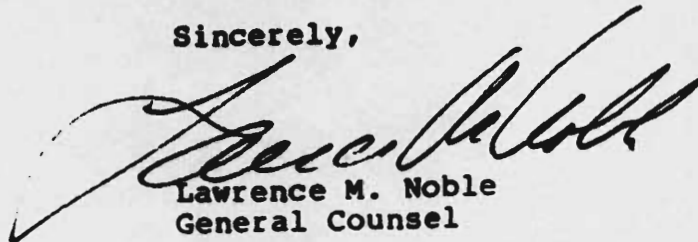
The Commission is still hopeful that this matter can be settled through a conciliation agreement. Since the 30-day period for pre-probable cause conciliation has elapsed, you should respond within ten (10) days of your receipt of this notification. If a response is not received within this period, this matter will proceed to the next stage of the enforcement process.

83040700408

Letter to V. Bruce Whitehead
Page 2

Should you have any further questions, please call Susan
Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosures
Conciliation Agreement
Factual and Legal Analysis

0040700409

**FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS**

RESPONDENTS: Hardee's Food Systems MUR: 2438
Inc., Good Government
Fund and Jesse M.
Harrington, III, as
treasurer

Pursuant to 2 U.S.C. § 434(b)(6)(B)(i), an unauthorized political committee must report the name and address of each political committee it makes a contribution to during the reporting period, together with the date and amount of the contribution. Pursuant to 2 U.S.C. § 434(a)(4)(B) political committees that are not authorized by a candidate and file monthly reports must file a Pre-General Election Report, regardless of the amount of financial activity involved, in accordance with the terms of 2 U.S.C. § 434(a)(2)(A)(i). The Pre-General Election Report must be filed no later than the 12th day before the election and must be complete as of the 20th day before the election.

The 1986 Pre-General Election Report should have been filed by October 23, 1986, and was supposed to cover October 1, 1986, to October 15, 1986. Respondents filed a November Monthly Report on November 25, 1986, which covered the time period which was to be covered by the 1986 Pre-General Election Report. Thus, Respondents failed to timely file a Pre-General Election Report in violation of 2 U.S.C. § 434(a)(4)(B).

In Respondents' letter of August 27, 1987, Respondents stated that the date that was reported as the date of

contribution on the November Monthly Report was the date on which the Committee requested its Treasury Department to make the check, and not the date on which the funds left the Committee's control. The Committee reported making 47 contributions on October 14, 1986. Fifteen contributions were delivered by mail to the authorized committees accompanied by letters dated from October 20, 1986, to October 28, 1986. Eighteen contributions were delivered to the intended recipients by third parties. The third parties received the checks with confirming letters that were dated from October 17, 1986 to October 24, 1986. The remaining 14 contributions were delivered by hand to the authorized committees after October 15, 1986, according to Respondents' counsel.

Based on the information received from the Committee, it appears that none of the 47 contributions at issue left the Committee's control prior to October 15, 1986. However, the Committee was required to file a Pre-General Election Report since it files reports on a monthly basis. See 2 U.S.C. § 434(a)(4)(B). It appears the Committee also violated 2 U.S.C. § 434(b)(6)(B)(i) when it reported incorrect dates.

Accordingly, there is reason to believe that the Hardee's Food Systems, Inc. Good Government Fund and Jesse M. Harrington, III, as treasurer violated 2 U.S.C. §§ 434(a)(4)(B) and 434(b)(6)(B)(i).

Hardee's.

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RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

88 FEB 23 AM 8:38

February 19, 1988

Federal Election Commission
1425 K Street, N.W.
Washington, D.C. 20463

Attn.: Lois G. Lerner, Associate General Counsel

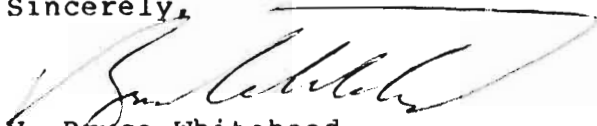
Re: MUR 2438 - Hardee's Food Systems, Inc. Good Government
Fund and Jesse M. Harrington, III, as its treasurer

Dear Ms. Lerner:

This will confirm our acceptance of the revised Conciliation Agreement pursuant to your letter of February 11, 1988, which we received on February 16, 1988. Since our other officers are presently out of town, I have signed as attorney on behalf of the respondents in order to respond within the time you set forth. If necessary, I can forward a copy with Mr. Harrington's signature to you after he returns next week, inasmuch as he has specifically agreed to all the terms and conditions.

As per my conversations with Susan Beard, the FEC attorney assigned to this matter, we may have no record of the exact date(s) on which some contributions left our control. However, we will make every reasonable effort to determine said date(s) to the most accurate extent possible, in order to comply with the amended report requirement. We will, of course, also institute procedures to maintain recordkeeping in the future of the dates on which we relinquish control over such contributions.

Sincerely,


V. Bruce Whitehead
Assistant General Counsel

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FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
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BEFORE THE FEDERAL ELECTION COMMISSION

88 FEB 26 PM 5:20

In the Matter of)
)
Hardee's Food Systems, Inc.) MUR 2438
Good Government Fund and)
Jesse M. Harrington, III,)
as treasurer)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by V. Bruce Whitehead, Respondents' counsel.

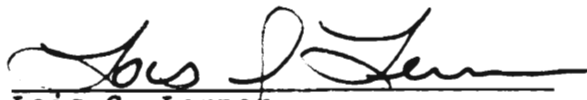
The attached agreement contains no changes from the agreement approved by the Commission on February 5, 1988. A check for the amount of the civil penalty has not been received.

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Hardee's Food Systems, Inc. Good Government Fund and Jesse M. Harrington, III, as treasurer.
2. Close the file.
3. Approve the attached letter.

Lawrence M. Noble
General Counsel

Date 2/26/88

BY: 
Lois G. Lerner
Associate General Counsel

Attachments

1. Conciliation Agreement
2. Letter to Respondents

Staff person: Susan Beard

33040700413

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Hardee's Food Systems, Inc.
Good Government Fund and
Jesse M. Harrington, III,
as treasurer

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MUR 2438

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 2, 1988, the Commission decided by a vote of 6-0 to take the following actions in MUR 2438:

1. Accept the conciliation agreement with Hardee's Food Systems, Inc. Good Government Fund and Jesse M. Harrington, III, as treasurer, as recommended in the General Counsel's report signed February 26, 1988.
2. Close the file.
3. Approve the letter, as recommended in the General Counsel's report signed February 26, 1988.

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

Attest:

3/2/88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Fri., 2-26-88, 5:
Circulated on 48 hour tally basis: Mon., 2-29-88, 11:
Deadline for vote: Wed., 3-02-88, 11:

33040700414



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 8, 1988

V. Bruce Whitehead, Esquire
Hardee's Food Systems, Inc.
1233 N. Church Street
Rocky Mount, N.C. 27802-1619

RE: MUR 2438
Hardee's Food Systems,
Inc. Good Government Fund
and Jesse M. Harrington,
III, as treasurer

Dear Mr. Whitehead:

On March 1, 1988, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of a violation of 2 U.S.C. § 434(a)(4)(B), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter. This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

83040700415

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2438
Hardee's Food Systems, Inc. Good)
Government Fund, and)
Jesse M. Harrington, III, as)
treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Hardee's Food Systems, Inc. Good Government Fund and Jesse M. Harrington, III, as treasurer, violated 2 U.S.C. § 434(a)(4)(B).

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

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

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

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

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

1. Respondent, Hardee's Food Systems, Inc. Good Government Fund, is a political committee within the meaning of 2 U.S.C. § 431(4).

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2. Respondent, Jesse M. Harrington, III, is the treasurer of Hardee's Food Systems, Inc. Good Government Fund.

3. Pursuant to 2 U.S.C. § 434(a)(4)(B), political committees that are not authorized by a candidate and file monthly reports must file a Pre-General Election Report in accordance with the terms of 2 U.S.C. § 434(a)(2)(A)(i). The Pre-General Election Report must be filed no later than the 12th day before the election and must be complete as of the 20th day before the election.

4. Pursuant to 2 U.S.C. § 434(b)(6)(B)(i), an unauthorized political committee must report the name and address of each political committee it makes a contribution to during the reporting period, together with the date and amount of the contribution.

5. Respondents filed a November Monthly Report on November 25, 1986, which covered the time period which was to be covered by the 12 Day Pre-General Election Report.

6. In that report, Respondents reported 47 contributions totaling \$57,000. The date reported for these contributions was October 14, 1986, the date on which the Respondents requested their treasury department to prepare the checks for the contributions. The Respondents did not relinquish control over any of these contributions until after October 15, 1986.

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V. Respondents failed to file a 12 Day Pre-General Election Report by October 23, 1986, in violation of 2 U.S.C. § 434(a)(4)(B).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of One Thousand Dollars (\$1,000.00), pursuant to 2 U.S.C. § 437g(a)(5)(A). Respondents will amend the November 1986 Monthly Report to show the dates on which the Respondents relinquished control over the contributions.

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirements thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

IX. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

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oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

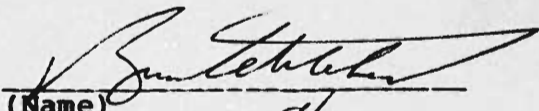
BY:


Lois G. Lerner
Associate General Counsel

Date

3/7/88

FOR THE RESPONDENTS:


(Name)
(Position) Attorney

Date

2/19/88

23040700419



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2438
DATE FILMED 4/23/88 CAMERA NO. 4
CAMERAMAN GLC

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